

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input checked="" type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name County of Marquette, Michigan	County Marquette
Fiscal Year End 12/31/06	Opinion Date 04/30/07	Date Audit Report Submitted to State 6-27-07	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

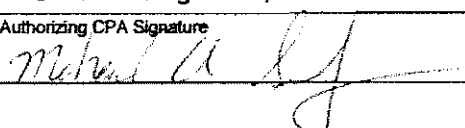
YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Anderson, Tackman, & Company, PLC		Telephone Number 906-225-1166	
Street Address 102 W. Washington St., Suite 109		City Marquette	State MI
		Zip 49855	
Authorizing CPA Signature 		Printed Name Michael Alan Greutz	License Number 1101027988

**County of Marquette, Michigan
Financial Statements
For the Year Ended December 31, 2006**

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COUNTY OFFICIALS

2006 BOARD OF COUNTY COMMISSIONERS

Chairman and 4th District Commissioner
GERALD O. CORKIN

Vice-Chairman and 9th District Commissioner
CHUCK BERGDAHL

1st District Commissioner
JIM CIHAK

2nd District Commissioner
HARVEY WALLACE

3rd District Commissioner
BRUCE HEIKKILA

5th District Commissioner
NICK JOSEPH

6th District Commissioner
PAUL ARSENAULT

7th District Commissioner
DEBORAH PELLOW

8th District Commissioner
BOB STRUCK

ELECTED OFFICIALS OF MARQUETTE COUNTY

County Clerk Connie M. Branam
County Treasurer Gary R. Yoder
Drain Commissioner Patrick Michael Farrell
Mine Inspector John E. Carlson
Prosecuting Attorney Gary L. Walker
Register of Deeds Patricia A. Manley
Sheriff Michael H. Lovelace

ELECTED JUDICIARY

Circuit Judges Thomas L. Solka
..... John R. Weber
District Judges Roger Kangas
..... Dennis H. Girard
Probate Judge Michael J. Anderegg



ANDERSON, TACKMAN & COMPANY, P.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

JOHN W. BLEMBERG, CPA

ROBERT J. DOWNS, CPA, CVA

DANIEL E. BIANCHI, CPA

MICHIGAN
ESCANABA
IRON MOUNTAIN
KINROSS
MARQUETTE

WISCONSIN
GREEN BAY
MILWAUKEE

INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and Members
of the Board of Commissioners
County of Michigan, Michigan
234 W. Baraga Ave.
Marquette, Michigan 49855

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, of the County of Marquette, Michigan as of and for the year ended December 31, 2006, which collectively comprise the basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the County of Marquette, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Medical Care Facility, which represents 16 percent, 15 percent and 56 percent, respectively, of the assets, net assets and revenues of the Business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to use, and our opinion, insofar as it relates to the amounts included for the Medical Care Facility, is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Marquette, Michigan as of December 31, 2006,

Honorable Chairman and Members
of the Board of Commissioners
County of Marquette, Michigan

and the respective changes in financial position and cash flows where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a our report dated April 30, 2007, on our consideration of the County of Marquette, Michigan's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 5 through 11 and 49 through 53, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Marquette, Michigan's basic financial statements. The combining and individual non-major fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major funds financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

April 30, 2007

County of Marquette, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the County of Marquette's financial performance provides an overview of the County's financial activities for the year ended December 31, 2006. Please read it in conjunction with the financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$90,906,352 (net assets). Of this amount, \$27,556,627 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

Net assets for the County as a whole increased by \$7,145,283. Net assets of our business-type activities increased by \$5,712,090, and net assets of our governmental activities increased by \$1,433,193.

During the year, the County had expenses for governmental activities that were \$27,911,681, and expenses for business-type activities that were \$16,220,741.

The General Fund reported a net fund balance of \$1,601,838, an increase of \$399,459. At the end of the current fiscal year, unreserved and undesignated fund balance for the General Fund was \$1,531,905, or 8.2% of total General Fund expenditures (including operating transfers).

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 12 & 13) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 14. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for the future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the County as a Whole

Our analysis of the County as a whole begins on page 7. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the County's *net assets* and changes in them. You can think of the County's net assets - the difference between assets and liabilities - as one way to measure the County's financial health, or *financial position*. Over time, *increases or decreases* in the County's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

changes in the County's patron base and the condition of the County's capital assets, to assess the *overall financial health* of the County.

In the Statement of Net Assets and the Statement of Activities, we divide the County into three kinds of activities:

- **Governmental activities** – Most of the County's basic services are reported here, including the legislative, judicial, public safety, recreation and culture, and general services and administration. Property taxes, charges for services and state sources fund most of these activities.
- **Business-type activities** – The County charges a fee to customers to help it cover all or most of the cost of certain services it provides. The County's Medical Care Facility, Airport, K.I. Sawyer Water & Sewer, and Forest Recreation Funds are reported here.
- **Component units** – The County includes the Road Commission in its report. Although it is a legally separate entity, this "component unit" is important because the County is financially accountable for it.

Reporting the County's Most Significant Funds

Our analysis of the County's major funds begins on page 10. The fund financial statements begin on page 14 and provide detailed information on the most significant funds – not the County as a whole. Some funds are required to be established by State law and by bond covenants. However, the County Commission establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using taxes, grants, and other money. The County's two kinds of funds - *governmental* and *proprietary* - use different accounting approaches.

- **Governmental Funds** – Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed *short-term view* of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and Statement of Activities) and governmental *funds* in a reconciliation which follows the fund financial statements.
- **Proprietary Funds** – When the County charges customers for the services it provides – whether to outside customers or to other units of the County – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the County's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

report activities that provide supplies and services for the County's other programs and activities – such as the Delinquent Tax Revolving Funds.

The County as Trustee

The County is the trustee, or fiduciary, for assets that – because of a trust arrangement – can be used only for the trust beneficiaries. All of the County's fiduciary activities are reported in separate Statements of Fiduciary Net Assets on page 21. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The County as a Whole

Table I provides a summary of the County's net assets as of December 31, 2006.

**Table 1
Net Assets**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Current and Other Assets	\$25,064,110	\$27,831,910	\$14,974,673	\$13,006,956	\$40,038,783	\$40,838,866
Capital Assets, net	5,999,438	6,177,834	56,450,692	52,534,772	62,450,130	58,712,606
Total Assets	31,063,548	34,009,744	71,425,365	65,541,728	102,488,913	99,551,472
Current Liabilities	8,590,142	12,971,490	1,549,020	1,377,473	10,139,162	14,348,963
Non-current Liabilities	1,443,399	1,441,40	0	0	1,443,399	1,441,40
Total Liabilities	10,033,541	14,412,930	1,549,020	1,377,473	11,582,561	15,790,403
Net Assets:						
Invested in capital assets, net of related debt	5,999,438	6,177,834	56,450,692	52,534,772	62,450,130	58,712,606
Restricted	772,995	443,278	126,600	503,273	899,595	946,551
Unrestricted (deficit)	14,257,574	12,975,702	13,299,053	11,126,210	27,556,627	24,101,912
Total Net Assets	<u>\$21,030,007</u>	<u>\$19,596,814</u>	<u>\$69,876,345</u>	<u>\$64,164,255</u>	<u>\$90,906,352</u>	<u>\$83,761,069</u>

Net assets of the County's governmental activities stood at \$21,030,007. *Unrestricted* net assets—the part of net assets that could be used to finance day-to-day activities without constraints established by debt covenants, enabling legislation, or other legal requirements stood at \$14,257,574. The \$14,257,574 in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year. For 2006, unrestricted net assets increased by \$1,433,193. The 2005 unrestricted net assets for governmental activities was restated to include a reclassification of the 100% Tax Payment Fund as a business-type activity in the amount of \$5,745,491.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

The net assets of our business-type activities stood at \$69,876,345. The County can generally only use these net assets to finance continuing operations of the business-type activities.

The results of this year's operations for the County as a whole are reported in the Statement of Activities (see Table 2), which shows the changes in net assets for fiscal year 2006.

Table 2
Change in Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Program Revenues:						
Charges for Services	\$5,650,796	\$5,404,974	\$15,450,106	\$10,517,526	\$21,100,902	\$15,922,500
Operating Grants and Contributions	6,054,752	7,131,599	197,874	49,654	6,252,626	7,181,253
Capital Grants and Contributions	-	-	5,40,716	2,161,879	5,400,716	2,161,879
General Revenues:						
Property taxes	15,521,361	14,833,687	-	-	15,521,361	14,833,687
State sources	-	-	-	-	0	0
Interest and Miscellaneous	2,713,800	5,844,496	288,300	1,327,116	3,002,100	7,171,612
Total Revenues	29,940,709	33,214,756	21,336,996	14,056,175	51,277,705	47,270,931
Program Expenses						
Legislative	228,801	225,869	-	-	228,801	225,869
Judicial	5,679,765	5,712,890	-	-	5,679,765	5,712,890
Management	1,022,702	1,850,076	-	-	1,022,702	1,850,076
Public Records	1,631,871	1,843,197	-	-	1,631,871	1,843,197
Law Enforcement	6,673,082	6,675,449	-	-	6,673,082	6,675,449
Human Services	5,924,919	6,251,546	-	-	5,924,919	6,251,546
Resource						
Management/Development	2,142,938	3,085,460	-	-	2,142,938	3,085,460
Other	4,607,603	3,288,852	-	-	4,607,603	3,288,852
Interest on Long-Term Debt	0	79,663	-	-	0	79,663
Medical Care Facility	-	-	11,286,521	9,612,163	11,286,521	9,612,163
Airport	-	-	3,284,093	3,014,694	3,284,093	3,014,694
Forestry	-	-	216,400	175,717	216,400	175,717
Foreclosure	-	-	50,253	44,130	50,253	44,130
100% Tax Payment	-	-	8,739	-	8,739	0
Water & Sewer	-	-	0	1,210,326	0	1,210,326
Sewer	-	-	979,543	-	979,543	0
Water	-	-	395,192	-	395,192	0
Total Expenses	27,911,681	29,013,002	16,220,741	14,057,030	44,132,422	43,070,032
Excess (deficiency) before transfers	2,029,028	4,201,754	5,116,255	(855)	7,145,283	4,200,899
Transfers	(595,835)	(1,616,414)	595,835	1,616,414	-	-
Increase (decrease) in net assets	1,433,193	2,585,340	5,712,090	1,615,559	7,145,283	4,200,899
Net assets, Beginning	19,596,814	17,011,474	64,164,255	62,548,696	83,761,069	79,560,170
Net assets, Ending	\$21,030,007	\$19,596,814	\$69,876,345	\$64,164,255	\$90,906,352	\$83,761,069

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

The County's total revenues were \$51,277,705. The total cost of all programs and services was \$44,132,422, resulting in an increase in net assets of \$7,145,283. Our analysis below separately considers the operations of governmental and business-type activities:

Governmental Activities

The net assets of the County's governmental activities increased \$1,433,193 for the year ended December 31, 2006. The primary reason for the increase in net assets is in the Revenue Sharing Reserve Fund.

Expenses for the year ended December 31, 2006, decreased by approximately 4% from the previous year.

Table 3 presents the cost of each of the five largest programs - Human Services, Law Enforcement, Resource Management/Development, Courts and Other - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that each program placed on the County's operation.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2006	2005	2006	2005
Law Enforcement	\$6,673,082	\$6,675,449	\$3,957,140	\$3,900,036
Human Services	5,924,919	6,251,546	1,960,418	2,034,454
Courts	5,679,765	5,712,890	3,032,189	3,023,615
Resource Management/Development	2,142,938	3,085,460	1,389,191	1,450,717
Other	4,607,603	3,288,852	4,090,676	3,288,852

Business-type Activities

During the year ended December 31, 2006, the net assets of the County's business-type activities increased by \$5,712,090. The primary reason for the increase in assets is the result of recognition of federally-funded airport capital projects and the reclassification of the 100% Tax Payment Funds.

Although the Medical Care Facility Fund reported operating income of \$625,422, non-operating revenues and intergovernmental transfers resulted in an increase in net assets of \$1,020,977.

The Airport Fund reported operating income of \$3,942,171. This amount included recognition of \$5,101,437 in federally-funded airport improvements projects during this year. The Airport Fund recorded depreciation expenses of \$1,041,515.

The Sewer Fund reported an operating loss of \$207,496. This amount included depreciation expense of \$261,128.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

The Water Fund reported an operating loss of \$85,372. This amount included depreciation expense of \$118,715.

The Forest Recreation Fund reported operating income of \$15,093 with non-operating revenues of \$26,601 for the year ended December 31, 2006. The fund recognized an increase in net assets of \$41,694.

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on page 14 reported a *combined* fund balance of \$15,300,220, an increase of \$1,373,201 from the beginning of the year.

The net assets of the County's General Fund increased by \$399,459, and all other government funds increased by \$973,742 as a result of standard governmental operations.

General Fund Budgetary Highlights

Over the course of the year, the County Commission revised the budget several times.

The amendments resulted in a net increase to budgeted general fund expenses of \$1,524,197. Significant adjustments included a \$330,000 provision for utility tax settlements and \$714,314 in Federal grants for pass through to sub-grantees. With these adjustments, actual charges to expenditures were \$703,635 less than the final amended budget. Revenues were \$72,781 more than the final budget projection.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2006, the County had \$62,450,130 invested in a variety of capital assets including land, buildings, and other equipment. (See table 4 below).

Table 4
Capital Assets at Year-End (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Land	367,733	367,733	15,270,486	15,225,586	15,638,219	15,593,319
Land Improvements	9,185	10,104	9,489,652	9,638,603	9,498,837	9,648,707
Buildings	4,346,363	4,419,062	27,929,740	21,322,283	32,276,103	25,741,345
Equipment	1,276,157	1,380,936	1,020,003	1,201,624	2,296,160	2,582,560
Construction in Progress	-	-	456,576	2,734,746	456,576	2,734,746
Utility Systems	-	-	2,284,235	2,411,931	2,284,235	2,411,931
	5,999,438	6,177,835	56,450,692	52,534,773	62,450,130	58,712,608

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

Debt

At year end, the County had no outstanding debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In preparing the County's budget for the year ending December 31, 2007, the current economic health of the State of Michigan was of great concern. The deterioration of the state's economy will likely result in additional decreases in state funding.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Administrator's Office at Marquette County Courthouse, Marquette, Michigan 49855.

COUNTY OF MARQUETTE, MICHIGAN

STATEMENT OF NET ASSETS

December 31, 2006

	Governmental Activities	Primary Government Business Type Activities	Total	Component Units
ASSETS				
Current Assets:				
Cash and equivalents	\$ 4,352,579	\$ 9,618,337	\$ 13,970,916	\$ 4,258,886
Cash and equivalents - restricted	-	2,122,462	2,122,462	-
Investments	9,349,046	-	9,349,046	-
Receivables (net)	10,984,203	3,210,578	14,194,781	5,724,528
Primary government internal balances	20,000	-	20,000	-
Other current assets	358,282	23,296	381,578	1,784,909
TOTAL CURRENT ASSETS	25,064,110	14,974,673	40,038,783	11,768,323
Noncurrent assets:				
Capital Assets	5,999,438	56,450,692	62,450,130	42,579,288
Total Capital Assets	5,999,438	56,450,692	62,450,130	42,579,288
TOTAL NONCURRENT ASSETS	5,999,438	56,450,692	62,450,130	42,579,288
TOTAL ASSETS	31,063,548	71,425,365	102,488,913	54,347,611
LIABILITIES:				
Current Liabilities:				
Accounts payable	1,992,721	617,265	2,609,986	529,263
Accrued payroll and related	430,387	225,475	655,862	140,216
Deferred revenue	6,058,113	-	6,058,113	163,268
Current Portion of Compensated absences	108,921	706,280	815,201	-
Current portion of bonds payable	-	-	-	840,000
Current portion of notes and contracts payable	-	-	-	-
Other current liabilities	-	-	-	248,674
TOTAL CURRENT LIABILITIES	8,590,142	1,549,020	10,139,162	1,921,421
Noncurrent Liabilities:				
Compensated absences	1,443,399	-	1,443,399	493,096
Bonds payable	-	-	-	3,610,792
Long-term contracts and notes payable	-	-	-	-
Other	-	-	-	-
TOTAL NONCURRENT LIABILITIES	1,443,399	-	1,443,399	4,103,888
TOTAL LIABILITIES	10,033,541	1,549,020	11,582,561	6,025,309
NET ASSETS				
Invested in capital assets net of related debt	5,999,438	56,450,692	62,450,130	41,579,288
Designated for:				
Other activities	772,995	126,600	899,595	6,156,723
Unrestricted	14,257,574	13,299,053	27,556,627	586,291
TOTAL NET ASSETS	\$ 21,030,007	\$ 69,876,345	\$ 90,906,352	\$ 48,322,302

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2006

Function / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities
Primary Government:						
Governmental Activities:						
Legislative	\$ 228,801	\$ 17,315	\$ -	\$ -	\$ (211,486)	\$ -
Courts	5,879,765	1,300,189	1,347,387	-	(3,032,189)	-
Management	1,022,702	-	-	-	(1,022,702)	-
Public records	1,631,871	924,649	184,891	-	(542,331)	-
Law enforcement	6,673,082	1,636,652	1,079,290	-	(3,957,140)	-
Human services	5,924,919	1,181,933	2,782,588	-	(1,960,418)	-
Resource management/Development	2,142,938	590,058	163,689	-	(1,389,191)	-
Other	4,607,603	-	516,927	-	(4,090,676)	-
Interest on long-term debt	-	-	-	-	-	-
Total Governmental Activities	27,911,881	5,650,796	6,054,752	-	(16,206,133)	-
Business Type Activities:						
Medical Care Facility	11,286,521	11,911,943	-	-	-	625,422
Airport	3,284,093	1,665,858	159,689	5,400,716	-	3,942,170
Forestry	216,400	193,308	38,185	-	-	15,093
Foreclosure	50,253	179,006	-	-	-	128,753
100 % Tax Payment	8,739	418,124	-	-	-	409,385
Sewer	979,543	772,048	-	-	-	(207,495)
Water	395,182	309,819	-	-	-	(85,373)
Total Business Type Activities	18,220,741	15,450,106	197,874	5,400,716	-	4,827,955
TOTAL PRIMARY GOVERNMENT	\$ 44,132,422	\$ 21,100,902	\$ 6,252,626	\$ 5,400,716	(16,206,133)	(11,378,178)
Component Units:						
County Road Department	9,240,507	2,148,960	5,717,618	2,292,711	-	918,782
EDC Fund	236,111	-	292,000	-	-	55,889
DPW Debt Funds	147,085	134,976	-	-	-	(12,109)
Raney Creek Maintenance Fund	-	-	-	-	-	-
TOTAL COMPONENT UNITS	\$ 9,623,703	\$ 2,283,936	\$ 6,009,618	\$ 2,292,711	-	982,562
General Revenues:						
Taxes						
Unrestricted State sources						
Interest and investment earnings						
Miscellaneous						
Transfers						
					15,521,361	15,521,361
					926,165	-
					1,787,635	1,214,465
					(595,835)	1,787,835
					17,839,326	595,835
					884,135	884,135
TOTAL GENERAL REVENUES AND TRANSFERS					17,839,326	18,523,481
CHANGE IN NET ASSETS						
Net assets, beginning of year, as restated						
					1,433,193	5,712,090
					19,598,814	7,145,283
					21,030,007	83,761,069
NET ASSETS, END OF YEAR					\$ 69,876,345	\$ 90,906,352
					\$ -	\$ 48,322,302

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN

GOVERNMENTAL FUNDS

BALANCE SHEET

December 31, 2006

	General Fund	Health Department Fund	Community Development Fund	Revenue Sharing Reserve Fund	Airport Stabilization Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 4,069,863	\$ -	\$ 101,443	\$ 892,804	\$ 3,299,976	\$ 4,667,513	\$ 13,031,621
Receivables	290,957	252,716	-	-	1,250,000	2,969,344	4,753,017
Taxes receivable - delinquent personal	302,005	-	-	2,540,395	-	-	2,842,400
Due from State	-	435,919	-	-	-	267,801	703,720
Due from others	23,574	-	-	-	-	-	23,574
Due from other funds	1,180,610	-	-	2,540,395	-	-	3,721,005
Loans Receivable	-	-	2,253,426	-	-	405,294	2,658,720
Other assets	305,311	49,066	-	-	-	535	354,912
TOTAL ASSETS	\$ 6,172,340	\$ 737,701	\$ 2,354,869	\$ 5,973,594	\$ 4,549,978	\$ 8,300,487	\$ 28,086,969
LIABILITIES AND FUND BALANCE							
LIABILITIES:							
Cash and investments overdraft	\$ -	\$ 468,664	\$ -	\$ -	\$ -	\$ 33,279	\$ 502,143
Accounts payable	345,455	201,270	3,300	-	-	1,413,991	1,964,016
Due to others	37	-	-	-	-	-	37
Due to State	-	-	-	-	-	24,127	24,127
Due to other funds	2,540,395	-	-	1,153,161	-	7,449	3,701,005
Accrued payroll and related	367,339	21,088	-	-	-	41,960	430,387
Accrued sick and vacation	51,295	42,604	-	-	-	15,022	108,921
Deferred revenue	1,265,981	-	2,253,426	-	-	2,538,706	8,058,113
TOTAL LIABILITIES	4,570,502	733,826	2,256,726	1,153,161	-	4,074,534	12,788,749
FUND BALANCE:							
Reserved for:							
Capital Outlay	-	-	-	-	-	429,663	429,663
Other	69,933	-	-	-	-	273,399	343,332
Unreserved, reported in:							
General Fund	1,531,905	-	-	-	-	-	1,531,905
Special Revenue Funds	-	3,875	98,143	4,620,433	4,549,978	3,522,891	12,995,320
Capital Projects Funds	-	-	-	-	-	-	-
TOTAL FUND BALANCE	1,601,838	3,875	98,143	4,620,433	4,549,978	4,225,953	15,300,220
TOTAL LIABILITIES AND FUND BALANCE	\$ 6,172,340	\$ 737,701	\$ 2,354,869	\$ 5,973,594	\$ 4,549,978	\$ 8,300,487	\$ 28,086,969

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS

December 31, 2006

Total Fund Balances for Governmental Funds	\$ 15,300,220
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*Amounts reported for governmental activities in the statement
of net assets are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	5,365,518
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The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets, net of capital assets.	1,807,668
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Long-term liabilities, including bonds payable, are not due and payable
in the current period and therefore are not reported in the funds.

Compensated absences	<u>(1,443,399)</u>
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NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 21,030,007</u></u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended December 31, 2006

	General Fund	Health Department Fund	Community Development Fund	Revenue Sharing Reserve Fund	Airport Stabilization Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes	\$ 10,687,760	\$ -	\$ -	\$ 2,540,395	\$ -	\$ 2,323,205	\$ 15,521,360
Licenses and Permits	551,059	-	-	-	-	-	551,059
Federal sources	846,174	-	-	-	-	665,753	1,511,927
State sources	980,939	2,523,450	156,207	-	-	1,621,905	5,282,501
Charges for services	2,928,910	1,181,933	-	-	-	115,263	4,224,106
Fines and forfeits	65,595	-	-	-	-	-	65,595
Interest	487,670	-	5,043	84,736	117,199	231,516	926,164
Other	927,041	485,253	109,458	-	91,149	248,587	1,861,488
TOTAL REVENUES	17,443,118	4,190,636	270,708	2,625,131	208,348	5,208,229	29,944,170
EXPENDITURES:							
Current operations:							
Legislative	228,801	-	-	-	-	-	228,801
Courts	2,984,521	-	-	-	-	2,717,850	5,682,371
Management	1,015,866	-	-	-	7,036	-	1,022,702
Public Records	1,392,222	-	-	-	-	295,635	1,687,857
Law Enforcement	5,185,760	-	-	-	-	1,381,239	6,568,999
Human Services	75,447	4,430,338	-	-	-	1,419,134	5,924,919
Resource Management/Development	1,840,231	-	-	-	-	494,138	2,334,369
Other	4,105,887	-	267,886	-	-	47,343	4,421,116
TOTAL EXPENDITURES	18,508,535	4,430,338	267,886	-	7,036	6,355,339	27,869,134
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	634,583	(239,702)	2,822	2,625,131	201,312	(1,149,110)	2,075,036
OTHER FINANCING SOURCES (USES):							
Transfers in	1,588,161	257,452	-	-	-	1,473,706	3,319,321
Transfers out	(1,823,295)	(13,875)	-	(1,153,161)	(720,835)	(310,000)	(4,021,156)
TOTAL OTHER FINANCING SOURCES (USES)	(235,124)	243,577	-	(1,153,161)	(720,835)	1,163,706	(701,835)
CHANGE IN FUND BALANCE	399,459	3,875	2,822	1,471,970	(519,523)	14,598	1,373,201
Fund balance, beginning of year	1,202,379	-	95,321	3,348,463	5,069,501	4,211,355	13,927,019
FUND BALANCE, END OF YEAR	\$ 1,601,838	\$ 3,875	\$ 98,143	\$ 4,820,433	\$ 4,549,978	\$ 4,225,953	\$ 15,300,220

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2006

Net Change in Fund Balances – Total Governmental Funds \$ 1,373,201

*Amounts reported for governmental activities in the statement
of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 497,063	
Depreciation expense	\$ (593,637)	
Gain (loss) on disposals	<u>(3,461)</u>	(100,035)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (1,959)

The net revenue of the internal service funds are included in governmental activities in the statement of net assets. 161,986

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,433,193</u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF NET ASSETS
 December 31, 2006

	Business - Type Activities: Enterprise Funds							Governmental Activities
	Medical Care Facility Operating Fund	Airport Fund	Forestry Fund	Foreclosure Fund	100% Tax Payment Funds	Sewer Fund	Water Fund	Total Internal Service Funds
ASSETS								
Current Assets:								
Cash and investments	\$ 3,313,528	\$ 612,970	\$ 584,387	\$ 157,022	\$ 4,761,909	110,725	\$ 77,796	\$ 9,618,337
Cash and investments-restricted	2,122,462	-	-	-	-	-	-	2,122,462
Accounts receivable, net	1,647,038	143,382	119,987	-	-	120,377	52,295	2,083,079
Delinquent tax receivable	-	-	-	-	989,242	-	-	989,242
Accrued interest receivable	-	-	-	-	124,904	-	-	124,904
Due from State	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other units	-	-	-	-	13,353	-	-	13,353
Inventory	-	-	-	-	-	-	-	-
Prepays and other assets	-	17,403	-	-	-	4,009	1,884	23,296
TOTAL CURRENT ASSETS	7,083,028	773,755	704,374	157,022	5,889,408	235,111	131,975	14,974,673
Noncurrent Assets:								
Capital assets, net of accumulated depreciation	4,675,298	32,155,658	10,639,007	-	-	4,701,152	4,279,577	56,450,692
TOTAL NONCURRENT ASSETS	4,675,298	32,155,658	10,639,007	-	-	4,701,152	4,279,577	636,692
TOTAL ASSETS	11,758,326	32,929,413	11,343,381	157,022	5,889,408	4,936,263	4,411,552	71,425,365
LIABILITIES								
Current Liabilities:								
Accounts payable	428,083	50,525	24,347	812	1,429	16,552	5,433	527,181
Due to other funds	-	-	-	-	-	-	-	-
Due to other units	-	-	-	-	803	-	-	803
Accrued payroll and related liabilities	162,136	44,635	183	-	-	11,749	6,772	725,475
Accrued sick and vacation pay	523,862	141,247	-	-	-	26,761	14,410	705,280
Deferred revenue	-	-	-	-	-	-	-	-
Other liabilities	7,052	24,182	10,722	-	-	23,663	23,662	89,281
Current portion of long-term debt	-	-	-	-	-	-	-	-
TOTAL CURRENT LIABILITIES	1,121,133	260,589	35,252	812	2,232	78,725	50,277	1,549,020
Noncurrent Assets:								
Notes payable	-	-	-	-	-	-	-	-
TOTAL NONCURRENT LIABILITIES	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	1,121,133	260,589	35,252	812	2,232	78,725	50,277	1,549,020
NET ASSETS								
Invested in capital assets								
net of related debt	4,675,296	32,155,658	10,639,007	-	-	4,701,152	4,279,577	56,450,692
Designated	-	-	126,600	-	-	-	-	126,600
Unrestricted	5,961,895	513,166	542,522	156,210	5,887,176	156,386	81,698	13,299,053
TOTAL NET ASSETS	10,637,193	32,668,824	11,308,129	156,210	5,887,176	4,857,538	4,361,275	69,876,345

The accompanying notes are an integral part of these financial statements

COUNTY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the Fiscal Year Ended December 31, 2006

	Business - Type Activities: Enterprise Funds							Governmental Activities
	Medical Care Facility Operating Fund	Airport Fund	Forestry Fund	Foreclosure Fund	100 % Tax Payment Funds	Sewer Fund	Water Fund	Internal Service Funds
OPERATING REVENUES:								
Federal sources	\$ -	\$ 5,336,954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	327,731	38,185	-	-	-	-	-
Charges for services(net)	9,984,427	660,243	80,335	118,584	-	612,988	298,096	382,890
Penalties and interest on taxes	-	-	-	-	418,124	-	-	-
Collection fee and other revenues	-	-	-	-	-	-	-	-
Other operating revenue	1,927,516	901,336	112,973	60,422	-	159,059	11,724	23,797
TOTAL OPERATING REVENUES	11,911,943	7,226,264	231,493	179,006	418,124	772,047	309,820	406,687
OPERATING EXPENSES:								
Operating expenses	10,836,103	2,242,578	199,720	50,253	8,739	718,415	276,477	368,186
Depreciation	450,418	1,041,515	16,680	-	-	261,128	118,715	-
TOTAL OPERATING EXPENSES	11,286,521	3,284,093	216,400	50,253	8,739	979,543	395,192	368,186
OPERATING INCOME(LOSS)	625,422	3,942,171	15,093	128,753	409,385	(207,496)	(85,372)	38,501
NON-OPERATING REVENUE(EXPENSES):								
Investment Income	95,555	5,151	26,601	3,692	157,300	-	-	17,485
TOTAL NON-OPERATING REVENUES(EXPENSES)	95,555	5,151	26,601	3,692	157,300	-	-	17,485
INCOME(LOSS) BEFORE TRANSFERS	720,977	3,947,322	41,694	132,445	566,685	(207,496)	(85,372)	55,986
Transfers in	300,000	720,835	-	-	-	-	-	156,000
Transfers out	-	-	-	-	(425,000)	-	-	(50,000)
NET CHANGE IN ASSETS	1,020,977	4,668,157	41,694	132,445	141,685	(207,496)	(85,372)	161,986
Net assets, beginning of year	9,616,216	28,000,667	11,266,435	23,765	5,745,491	5,065,034	4,446,647	1,645,682
NET ASSETS, END OF YEAR	\$ 10,637,193	\$ 32,668,824	\$ 11,308,129	\$ 156,210	\$ 5,887,176	\$ 4,857,538	\$ 4,361,275	\$ 1,807,668

The accompanying notes are an integral part of these financial statements

COUNTY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended December 31, 2006

	Business - Type Activities: Enterprise Funds							Governmental Activities
	Medical Care Facility Operating Fund	Airport Fund	Forestry Fund	Foreclosure Fund	100% Tax Payment Funds	Sewer Fund	Water Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:								
Cash received Federal grants	\$ -	\$ 5,336,954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,336,954
Cash received State grants	-	327,731	38,185	-	-	-	-	365,916
Cash received from fees and charges for services	9,304,858	607,214	80,335	179,355	-	595,764	294,344	11,061,870
Cash payments to employees for services	(9,495,579)	(1,047,737)	(76,826)	-	-	(269,896)	(131,324)	(11,021,362)
Cash received from delinquent taxes	-	-	-	-	537,161	-	-	537,161
Other operating expenses	(1,010,664)	(1,184,626)	(104,994)	(51,403)	(3,468)	(446,469)	(143,185)	(2,944,809)
Proportionate share revenue	241,050	-	-	-	-	-	-	241,050
Other operating revenues	1,686,466	901,336	82,316	-	-	159,059	11,723	2,840,900
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	726,131	4,940,872	19,016	127,952	533,693	38,458	31,558	6,417,680
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:								
Cash from (withdrawal from) patient trust	1,635	-	-	-	-	-	-	1,635
Operating transfers in (out)	300,000	720,835	-	-	(425,000)	-	-	595,835
Increase (decrease) in due to other funds	-	-	-	-	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	301,635	720,835	-	-	(425,000)	-	-	106,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
Cash payments for capital assets	(206,603)	(5,553,070)	(44,703)	-	-	-	-	(5,804,376)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(206,603)	(5,553,070)	(44,703)	-	-	-	-	(56,048)
CASH FLOWS FROM INVESTING ACTIVITIES:								
Interest income	95,555	5,151	26,601	3,692	157,300	-	-	288,299
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	95,555	5,151	26,601	3,692	157,300	-	-	288,299
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	916,718	113,788	914	131,644	265,993	38,458	31,558	1,499,073
Cash and cash equivalents, beginning of year	4,519,272	499,182	583,473	25,378	4,495,916	72,267	46,238	10,241,726
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 5,435,990	\$ 612,970	\$ 584,387	\$ 157,022	\$ 4,761,909	\$ 110,725	\$ 77,796	\$ 11,740,799
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:								
Operating income (loss)	\$ 625,422	\$ 3,942,171	\$ 15,093	\$ 128,753	\$ 409,385	\$ (207,496)	\$ (85,372)	\$ 4,827,956
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation	450,418	1,041,515	16,680	-	-	261,128	118,715	1,888,456
Bad debt	45,000	-	-	-	-	-	-	45,000
Change in assets and liabilities:								
(Increase) decrease in accounts receivable	(522,050)	(53,029)	(30,657)	350	-	(17,224)	(3,752)	(626,362)
(Increase) decrease in delinquent taxes receivable	-	-	-	-	107,606	-	-	107,606
(Increase) decrease in accrued interest receivable	-	-	-	-	11,431	-	-	11,431
(Increase) decrease in due from others	-	-	-	-	-	-	-	-
(Increase) decrease in inventory	-	-	-	-	-	-	-	-
(Increase) decrease in prepaid expenses	(6,487)	(197)	-	-	3,842	(1,819)	(853)	(5,514)
(Increase) decrease in other assets	-	-	-	-	-	-	-	-
Increase (decrease) in accounts payable	275,129	3,323	6,995	(1,151)	1,429	2,787	(1,045)	287,467
Increase (decrease) in accrued payroll and related liability	-	10,656	183	-	-	519	3,303	14,671
Increase (decrease) in other liabilities	45,610	(3,577)	10,722	-	-	563	562	53,880
Increase (decrease) in due to others	(186,911)	-	-	-	-	-	-	(186,911)
Increase (decrease) in deferred revenue	-	-	-	-	-	-	-	-
NET ADJUSTMENTS	100,709	998,701	3,923	(801)	124,308	245,954	116,930	1,589,724
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 726,131	\$ 4,940,872	\$ 19,016	\$ 127,952	\$ 533,693	\$ 38,458	\$ 31,558	\$ 6,417,680

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS

December 31, 2006

		Agency Funds
ASSETS		
Cash and investments	\$	1,590,700
Due from other funds		<u>-</u>
TOTAL ASSETS	\$	<u><u>1,590,700</u></u>
LIABILITIES:		
Due to other funds	\$	20,000
Due to others		<u>1,570,700</u>
TOTAL LIABILITIES		<u><u>1,590,700</u></u>

The accompanying notes are an integral part of these financial statements

COUNTY OF MARQUETTE, MICHIGAN

COMPONENT UNITS

COMBINING STATEMENT OF NET ASSETS

DECEMBER 31, 2006

	County Road Department	EDC Fund	DPW Debt Funds	Drain Maintenance	TOTAL
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 3,334,219	\$ 848,706	\$ 22,494	\$ 53,467	\$ 4,258,886
Investments	-	-	-	-	-
Receivables, net	1,957,106	1,007,422	2,760,000	-	5,724,528
Internal balances	-	-	-	-	-
Inventory	909,244	-	-	-	909,244
Prepaid expenses and other assets	171,512	704,153	-	-	875,665
TOTAL CURRENT ASSETS	6,372,081	2,560,281	2,782,494	53,467	11,768,323
Restricted Assets	-	-	-	-	-
Noncurrent Assets:					
Unamortized bond issuance costs	-	-	-	-	-
Capital assets:					
Capital assets	68,739,476	-	-	-	68,739,476
Accumulated depreciation	(26,160,188)	-	-	-	(26,160,188)
Total Capital Assets	42,579,288	-	-	-	42,579,288
TOTAL NONCURRENT ASSETS	42,579,288	-	-	-	42,579,288
TOTAL ASSETS	\$ 48,951,369	\$ 2,560,281	\$ 2,782,494	\$ 53,467	\$ 54,347,611
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 475,796	\$ -	\$ -	\$ 53,467	\$ 529,263
Accrued payroll and related	140,216	-	-	-	140,216
Deferred revenue	163,268	-	-	-	163,268
Compensated absences	-	-	-	-	-
Current portion of bonds payable	200,000	-	640,000	-	840,000
Current portion of notes and contracts payable	-	-	-	-	-
Other current liabilities	-	248,674	-	-	248,674
TOTAL CURRENT LIABILITIES	979,280	248,674	640,000	53,467	1,921,421
Noncurrent Liabilities:					
Compensated absences	493,096	-	-	-	493,096
Bonds payable	800,000	690,792	2,120,000	-	3,610,792
Other	-	-	-	-	-
TOTAL NONCURRENT LIABILITIES	1,293,096	690,792	2,120,000	-	4,103,888
TOTAL LIABILITIES	2,272,376	939,466	2,760,000	53,467	6,025,309
NET ASSETS					
Invested in capital assets net of related debt	41,579,288	-	-	-	41,579,288
Designated for:					
Debt Service	-	-	-	-	-
Other activities	5,099,705	1,057,018	-	-	6,156,723
Unrestricted	-	563,797	22,494	-	586,291
TOTAL NET ASSETS	\$ 46,678,993	\$ 1,620,815	\$ 22,494	\$ -	\$ 48,322,302

COUNTY OF MARQUETTE, MICHIGAN

COMPONENT UNITS

COMBINING STATEMENT OF ACTIVITIES

DECEMBER 31, 2006

Program Revenues				Net(expenses) Revenue and Changes in Net Ssets					
Function/Program	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	County Road Department	EDC Fund	DPW Debt	Drain Maintenance	Total
County Road Operations	\$ 9,240,507	2,148,960	\$ 5,717,618	\$ 2,292,711	\$ 918,782	\$ -	\$ -	\$ -	\$ 918,782
EDC Operations	236,111	-	292,000	-	\$ -	\$ 55,889	-	-	55,889
DPW Debt Operations	147,085	134,976	-	-	\$ -	-	(12,109)	-	(12,109)
Drain Maintenance	-	-	-	-	\$ -	-	-	-	-
TOTAL COMPONENT UNITS		\$ 9,623,703	\$ 6,009,618	\$ 2,292,711	\$ 918,782	\$ 55,889	\$ (12,109)	\$ -	\$ 982,562
General Revenues:									
Property taxes					\$ -	-	-	-	-
Interest and investment earnings					224,080	69,533	313	-	293,926
Miscellaneous					-	141,613	-	-	141,613
TOTAL GENERAL REVENUES AND EXTRAORDINARY ITEMS					224,080	211,148	313	-	435,539
CHANGE IN NET ASSETS					1,142,862	267,035	(11,796)	-	1,398,101
Net assets, beginning of year					6,709,945	1,353,780	(3,345,710)	-	4,718,015
Prior Period Adjustment					38,826,186	-	3,380,000	-	42,206,186
Adjusted Net Assets - Beginning of Year					45,536,131	1,353,780	34,290	-	46,924,201
NET ASSETS, END OF YEAR					46,678,993	1,620,815	22,494	\$ -	48,322,302

The Accompanying Notes are an Integral Part of the Financial Statements

**COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Marquette was organized in 1848 under the provisions of the Michigan Constitution. The County operates under a Commission/Administrator form of government and provides services in the following functional areas: legislative, courts, public records, management, human services, resource management and development, law enforcement, and community maintenance.

The financial statements of the County have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant of these accounting policies established in GAAP and used by the County are described below.

REPORTING ENTITY

The County's financial statements present the County (the primary government) and its component units. In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting units) for which the County may or may not be financially accountable and, as such, be includable within the County's financial statements. The component units discussed below are included in the reporting entity because of the significance of their operational or financial relationship with the County.

Blended Component Units

The Marquette County Health Department (MCHD) is governed by a seven-member board appointed by the County Board. It provides limited health services to the residents of Marquette County. The County of Marquette provides an annual subsidy to the MCHD.

The Marquette County Family Independence Agency (FIA) is governed by a three-member board appointed by the County Board. Although the employees are employed by the State of Michigan, and the State pays for many of the programs, the entity is considered part of the primary government. The reasons for this presentation are that the County Board appoints the FIA Board, and State law makes it a county organization.

The Marquette County Commission on Aging (COA) is governed by a twenty-one member board appointed by the County Board. It provides limited services to the elderly residents of Marquette County.

The Marquette County Medical Care Facility (MCF) is governed by a three-member board appointed by the County Board. Although it is a distinct entity from the county, the MCF is reported as if it were part of the primary government because its sole purpose is to provide skilled nursing services to residents of the County of Marquette.

The Marquette County Building Authority is governed by a three-member board appointed by the County Board. Although it is legally separate from the county, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct Marquette County public

**COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

buildings.

Discretely Presented Component Units

The component units columns in the combined financial statements include the financial data of the County's other component units. They are reported in a separate column to emphasize that they are legally separate from the County.

The Marquette County Road Commission (MCRC) is governed by a three-member board appointed by the County Board. The MCRC may not issue debt or levy a tax without the approval of the County Board. If approval is granted, the Road Commission's taxes are levied under the taxing authority of the County, as approved by the County Board, and would be included as part of the County's total tax levy as well as reported in the County Road Fund. The MCRC is supported primarily by payments from other local units of government for local maintenance and construction of roads. Funding sources include State of Michigan Motor Vehicle Highway Funds and Federal Aid Secondary Funds. The County of Marquette does not always provide an annual subsidy to the MCRC. The Marquette County Road Commission has a fiscal year ending September 30, 2006. Accordingly, the component unit financial statement information included in this report reflects activity as of September 30, 2006.

The County Drain Commission pursuant to the Drain Code of 1956, the Drain Commissioner has the responsibility to administer the State Drain Code. The Marquette County Drain Commissioner is elected and is responsible for planning, developing, and maintaining water drainage systems within the County. Each of the drainage districts established is a separate legal entity, with the power to contract, to sue and be sued, to hold, manage, and dispose of real and personal property. The Drain Commissioner has sole responsibility to administer the drainage district established. The Drain Commissioner may issue debt or levy a special assessment as authorized by the Drain Code without the approval of the County Board of Commissioners. Separate financial statements for the County Drain Commission are not published.

The Economic Development Corporation (EDC) of the County of Marquette, which was established pursuant to the provisions of Public Act 338 of 1974, as amended, is governed by a nine-member Board of Directors appointed by the County Board. The EDC provides assistance to new and expanding small to medium sized businesses within Marquette County, primarily for job retention and creation purposes. The County of Marquette provides an annual subsidy to the EDC.

Complete financial statements of the individual component units, except for the Drain Commission, Building Authority, Department of Public Works, Commission on Aging, Family Independence Agency, Health Department and the Economic Development Corporation, which do not issue separate financial statements, can be obtained from the Administrator's office at the Courthouse or at the respective administrative offices as noted below:

Marquette County Medical Care Facility
200 W. Saginaw
P.O. Box 309
Ishpeming, MI 49849

Marquette County Road Commission
1610 North Second Street
P.O. Box 10
Ishpeming, MI 49849

**COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Joint Ventures

As defined in GASB #14, a joint venture is a legal entity or other organization that results from a contractual arrangement (or inter-local agreement) and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain: (a) an ongoing financial interest; or (b) an ongoing financial responsibility. The County participates in the following joint ventures:

Community Mental Health Services (Pathways) Board consists of members of the participating counties as appointed by the respective counties. As enumerated in the Footnotes, Pathways is not being accounted for in the financial statements of the County.

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The County's legislative, judicial, public safety, recreation and culture and general services and administration are classified as governmental activities. The County's Medical Care Facility, Airport, Water & Sewer Fund, and Forestry Funds are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The County first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue.

The government-wide focus is more on the sustainability of the County as an entity and the change in the County's net assets resulting from the current year's activities. For the most part, the effect of inter-fund activities has been removed from these statements.

BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS:

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets,

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the County:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the County:

General Fund - General Fund is the general operating fund and, accordingly, it is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the County:

Enterprise Funds - Enterprise Funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds - Internal Service Funds are used to finance, administer, and account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit or to other governmental units on a cost reimbursement basis.

Component Units:

Component units are used to account for the discretely presented component units which follow proprietary fund accounting guidelines.

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support County programs. The agency fund is custodial in nature and does not present results of operations or have a measurement focus.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Health Department** provides limited health services to the residents of the County.

The **Community Development** applies for, receives, and disburses funds from MSHDA (Michigan State Housing Development Authority) to rehabilitate private single-family dwellings, provide emergency assistance and home purchase/rehabilitation.

The County reports the following major proprietary funds:

The **Medical Care Facility** provides skilled nursing services to residents of the County.

The County's **Internal Service Funds** are presented in the proprietary funds financial statements. Because the principal users of the internal services are the County's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the general services and administration functional activity.

The County's **Fiduciary Funds** are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.), and cannot be used to address activities or obligations of the County, these funds are not incorporated into the government-wide statements.

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which the payment is due. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

All proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified basis of accounting, revenues are recorded when they are both measurable and available. "Available" means collectible within the current period or within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. However, debt service expenditures, compensated absences, and claims and judgments are recorded only when payment is due.

FINANCIAL STATEMENT AMOUNTS

Budgets and Budgetary Accounting - The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with the annually adopted budget calendar, and generally around August 15, the County Administrator submits to the County Board of Commissioners proposed operating and capital budgets for the fiscal year commencing the following January 1. Proposed budgets include projected expenditures and the means of financing them.
2. Numerous opportunities exist for public comment during the budget process including at least two formal public hearings.
3. Pursuant to statute, on the second Tuesday of October of each year, the budget for the ensuing year is legally enacted through the adoption of an Annual General Appropriations Act.
4. The general statute governing County budgetary activity is the State of Michigan Uniform Budgeting and Accounting Act. In addition to the provisions of said Act and Board policy, general statements concerning the Board's intent regarding the administration of each year's budget are set out in the Annual General Appropriations Act. The Marquette County Board of Commissioners, through policy action, specifically directs the Administrator not to authorize or participate in any expenditure of funds except as authorized by the Annual General Appropriations Act. The Board recognizes that, in addition

**COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

to possible Board sanctions for willful disregard of this policy, State statutes provide for civil liability for violation of the Annual General Appropriations Act.

5. The Marquette County Administrator is authorized by means of County policy to make certain transfers:
 - a. The Administrator receives a request for a budget transfer in writing from a department administrator. Such request must specify the necessity for the transfer, as well as the account name and/or group(s) of accounts to be affected within prescribed limitations. Transfers in excess of those limitations must be approved by the Board of Commissioners.
 - b. The following considerations must be reviewed in determination of transfer approvals:
 - i. Is the transfer consistent with the intent of the Board of Commissioners in adopting the annual budget?
 - ii. Will the transfer maintain the financial integrity of the County?
 - iii. Will the transfer provide a reasonable solution to the budgetary unit-operating problem?
 - c. Considering the above, the Administrator will then decide whether or not the transfer should be made.
 - d. In authorizing such budget transfers, the Administrator may not exceed 10 percent of the aggregate total of all accounts within the budgetary unit budget. The budgetary unit wishing budgetary changes in excess of 10 percent in any budget year must apply, through the Administrator, to the County Board of Commissioners for a budget amendment.
 - e. Supplemental appropriations are submitted to and reviewed by the County Administrator and submitted to the Committee of the Whole for further consideration. If approved, they are transmitted to the County Board of Commissioners for their review and approval. If approved, they are implemented by the Administrator's Office through a budget revision.
 - f. Provisions of the current policy empower the Administrator to authorize certain transfers in the personnel services account group. In no instance does current policy permit the Administrator to authorize transfers in the operating capital outlay account group. An account group is defined as one of four groups of account numbers and titles as set out in the adopted annual budget of the Marquette County Board of Commissioners, i.e., personnel services, supplies, other charges and services, and operating capital outlay.
6. The County of Marquette adopts its Annual Budget on a program basis. Each program is defined within the formal budget structure and glossary of terms adopted by Board action. The program budget structure consists of five levels of detail as follows: Resource Allocation; Major Functioning Group; Department; Program; Activity.

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- a. At each level of detail, governmental operations are summarized into expenditure account groups. Funding sources are also identified and adopted at each level of detail. Budgetary controls exist at the most detailed level adopted by the Board of Commissioners, i.e., department, program or activity level. A detailed line item breakdown is prepared for each program. Accounting controls are maintained at the line item detail level.
7. Budgets for the General, Special Revenue, Enterprise and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts, in the Financial Report, are as originally adopted or amended by the County Board of Commissioners.
8. General Fund budgeted appropriations to other County departments/ budgetary units unexpended at the end of the current fiscal operating year are returned to the County General Fund in the subsequent year after completion of the County's annual audit. The return of unexpended General Fund appropriations are reported as residual equity transfers in the 2006 Financial Report.

Encumbrances – The County has adopted the encumbrance method of accounting on a monthly basis. Under the encumbrance method, requisitioned expenditures are recorded as expenditures in the monthly reports. This reserves available resources for expenditures committed in which items or invoices have not yet been received. The County records material encumbrances as a reservation of fund balance at year-end since they do not constitute expenditures or liabilities.

Cash Equivalents and Investments - For the purposes of balance sheet classification and the statement of cash flows, cash and equivalents consist of demand deposits, cash in savings, money market accounts and short-term certificates of deposit with original maturity of three months or less. Investments are carried at fair value.

Inventory - Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Special Revenue and Enterprise Funds consists of expendable supplies and materials held for consumption. Inventory is charged to operations upon consumption by the various operating funds within the County.

Capital Assets – Capital assets, which include property, plant, equipment and infrastructure assets (i.e., streets, bridges, and sidewalks), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their fair value on the date donated. Depreciation on all exhaustible capital assets is charged as an expense against their operations in government-wide statements and proprietary financial statements. Accumulated depreciation is reported on government-wide and proprietary statement of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Land Improvements	20	years
Building, Structures and Improvements	40	years
Equipment	5-20	years
Water and Sewage System	20	years
Vehicles	5	years
Infrastructure	20-50	years

Long-Term Liabilities: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using straight line amortization. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt received, are reported as debt service.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reporting of certain assets, liabilities, revenues, and expenditures. Actual results may differ from estimated amounts.

Property Taxes – Property taxes attach as an enforceable lien of property as of December 1 and payable by February 28. Taxes receivable are recorded when levied, as the legal right to receive exists. However, such revenues are not normally received until after the 60-day period following the fiscal year. Accordingly, deferred revenue is being recognized for such amounts.

Compensated Absences – The County accrues accumulated unpaid vacation and sick leave days and associated employee-related costs when earned (or estimated to be earned) by the employee. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

Deferred Revenues – Deferred revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

Inter-fund Activity – Inter-fund activity is reported as either loans, services provided reimbursements or transfers. Loans are reported as inter-fund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are

**COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a result of the reimbursement. All other inter-fund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Implementation of New Accounting Principles – In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (GASB No. 34). Certain of the significant changes in the Statement include the following:

The financial statements include a Management Discussion and Analysis (MD&A) section providing an analysis of the County's overall financial position and results of operations, and financial statements were prepared using full accrual accounting for all of the County's activities, including infrastructure (i.e., streets, bridges and sidewalks). The fund financial statements were changed to shift the focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The County elected to utilize the infrastructure transition option in the implementation of GASB No. 34 and recognized the general and infrastructure reporting provisions of the statement in the current year in the Marquette County Road Commission's statements.

NOTE 2 – DEPOSITS AND INVESTMENTS

The following is a reconciliation of cash and investments for both the unrestricted and restricted assets for the primary government and its component units from the Statement of Net Assets:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>	<u>Total</u>
Unrestricted:				
Cash and cash equivalents	13,970,916	1,590,700	4,258,886	19,820,502
Investments	9,349,046			9,349,046
Restricted:				
Cash and cash equivalents	2,122,462			2,122,462
Investments				
TOTALS	<u>25,442,424</u>	<u>1,590,700</u>	<u>4,258,886</u>	<u>31,292,010</u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State law does not require, and the County does not have, a deposit policy for custodial credit risk. The carrying amounts of the primary government, component unit and fiduciary fund's deposits with financial institutions were \$21,942,964 and the bank balance was \$24,067,353. The bank balance is categorized as follows:

**COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 2 – DEPOSITS AND INVESTMENTS - CONTINUED

Amount insured by the FDIC	\$ 814,816
Amount Uninsured	23,252,537
	<u>\$ 24,067,353</u>

Investments

As of December 31, 2006, the County had the following investments.

	Fair Value	Less than 1	Investment Maturities (in years)		
			1-5	6-10	More than 10
PRIMARY GOVERNMENT:					
Unrestricted Investments:	\$9,349,046	\$2,767,906	\$6,082,326	\$498,814	\$ -
Federal Government					
Obligation Principal					
TOTAL INVESTMENTS	<u>\$9,349,046</u>	<u>\$2,767,906</u>	<u>\$6,082,326</u>	<u>\$498,814</u>	<u>\$ -</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the County's investments. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Michigan statutes (Act 196, PA 1997) authorize the County to invest in bonds, other direct obligations and repurchase agreements of the United States, certificates of deposits, savings accounts, deposit accounts or receipts of a bank which is a member of the FDIC and authorized to operate in this state, commercial paper rated at the time of purchase within the two highest classification established by not less than two standard rating services and matures within 270 days from date of purchase, bankers' acceptances of the United States banks, obligations of the State of Michigan and its political subdivisions, external investment pools, and certain mutual funds. Michigan law prohibits security in the form of collateral, surety bond, or another form for the deposit of public money.

The County has no investment policy that would further limit its investment choices. Ratings are not required for the County's investment in U.S. Government Agencies or equity-type funds. The County's investments are in accordance with statutory authority.

Concentration of Credit Risk

The County places no limit on the amount the County may invest in any one issuer. There were no investments subject to concentration of credit risk disclosure.

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 3 – RESTRICTED ASSETS

The Medical Care Facility in the Enterprise Funds has designated/restricted assets in this fund in the amount of \$2,122,462.

NOTE 4 – JOINT VENTURE COMMUNITY MENTAL HEALTH SERVICES

Pursuant to an amendment to the Mental Health Code, Public Act 290 of 1995, the Counties of Alger, Marquette, Delta, and Luce created a Community Mental Health Authority (Pathways to Healthy Living) with powers and duties as defined in Section 205, MCL 330.1205. Under such provisions, Pathways to Healthy Living became a separate legal entity from the counties as appointed by the respective counties. The Board has full power to comply and carry out the financial and clinical provisions of the Mental Health Code. Summary financial information as of and for the fiscal year ended September 30, 2005, for the Board is as follows:

Assets	\$ 10,274,289
Liabilities	8,214,131
Total Fund Equity	2,060,158
Total Revenues	70,864,357
Total Expenditures	72,847,990
Net Increase (decrease) in Fund Equity	(1,983,633)

NOTE 5 - LONG-TERM DEBT

The following is a summary of long-term debt transactions during the period ended December 31, 2006, are summarized as follows:

	<u>December 31, 2005</u>	<u>Additions</u>	<u>Subtractions</u>	<u>December 31, 2006</u>
Discrete Component Units:				
Road Commission:				
MTF Bond	1,200,000	-	200,000	1,000,000
Volvo Lease Purchase	69,552	-	69,522	0
EDC:				
Installment Note Payable #1	352,417	-	46,397	306,020
Installment Note Payable #2	403,091	-	18,319	384,772
Drainage Districts:				
Badger Creek Drain Installment Note	325,000	-	75,000	250,000
DPW:				
Marquette County Refunding Bonds (Unlimited Tax) Series 1998	480,000	-	160,000	320,000
Marquette County Refunding Bonds (Limited Tax):				
Series 1998A	2,445,000	-	325,000	2,120,000
Series 1998B	130,000	-	60,000	70,000
Total Discrete Component Units	<u>\$5,405,060</u>	<u>\$ 0</u>	<u>\$ 954,268</u>	<u>\$ 4,450,792</u>
TOTAL LONG-TERM DEBT	<u>\$5,405,060</u>	<u>\$ 0</u>	<u>\$ 954,268</u>	<u>\$ 4,450,792</u>

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 5 - LONG-TERM DEBT - CONTINUED

Annual maturities on the Long-Term Debt are as follows:

	<u>Primary Government</u>	<u>Business-Type Activities</u>	<u>Discrete Component Unit Principal</u>	<u>Interest</u>	<u>Total</u>
2007	-	-	1,282,468	232,232	1,514,700
2008	-	-	837,546	109,865	947,411
2009	-	-	692,805	68,584	761,389
2010	-	-	618,506	36,039	654,545
2011	-	-	539,467	34,802	574,269
2012	-	-	230,000	16,425	246,425
2013	-	-	250,000	5,625	255,625
TOTAL	<u>\$ -</u>	<u>\$ -</u>	<u>\$4,450,792</u>	<u>\$503,572</u>	<u>\$4,954,364</u>

BOND

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2007	200,000	43,800	243,800
2008	200,000	35,300	235,300
2009	200,000	26,800	226,800
2010	200,000	18,000	218,000
2011	200,000	9,000	209,000
TOTALS	<u>\$ 1,000,000</u>	<u>\$132,900</u>	<u>\$1,132,900</u>

On June 7, 2001, the Marquette County Road Commission issued \$2,000,000 Michigan Transportation Fund Revenue Note of 2001 ("Bond") for the purpose of equipment purchases and other long-term debt payoff. The bond's interest is due semi-annually on February 7 and August 7 at a rate of 4.0% with principal due August 7 each year.

EDC Installment Note Payable #1

<u>YEAR</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
2007	22,659	57,696	80,355
2008	17,808	62,546	80,354
2009	12,549	67,805	80,354
2010	6,849	73,506	80,355
2011	1,164	44,467	45,631
TOTALS	<u>\$ 61,029</u>	<u>\$ 306,020</u>	<u>\$ 367,049</u>

Installment Note #1 is through Wells Fargo Bank. The interest rate is 8.1% with monthly payments of \$6,696 through July 6, 2011.

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 5 - LONG-TERM DEBT - CONTINUED

EDC Installment Note Payable #2

<u>YEAR</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
2007	80,665	384,772	465,437
TOTALS	<u>\$ 80,665</u>	<u>\$ 384,772</u>	<u>\$ 465,437</u>

Installment Note #2 is through Wells Fargo Bank. The interest rate is 6.75% with monthly payments of \$3,778 through September 15, 2007.

SCHEDULE OF BADGER CREEK DRAINAGE DISTRICT BONDS
December 31, 2006

	<u>April 1</u>		<u>October 1</u>	
<u>YEAR</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2007	8,628	80,000	5,907	94,535
2008	5,908	85,000	2,975	93,883
2009	2,975	85,000	-	87,975
TOTALS	<u>\$17,511</u>	<u>\$250,000</u>	<u>\$8,882</u>	<u>\$276,393</u>

The Badger Creek Drain Bonds (Limited Tax General Obligation) were issued originally in 1994 with interest rates of 6.2% - 8.00%.

SCHEDULE OF MARQUETTE COUNTY REFUNDING BONDS
(UNLIMITED TAX) SERIES 1998
December 31, 2006

	<u>June 1</u>		<u>December 1</u>	
<u>YEAR</u>	<u>INTEREST</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
2007	6,960	6,960	160,000	173,920
2008	3,520	3,520	160,000	167,040
TOTALS	<u>\$10,480</u>	<u>\$10,480</u>	<u>\$320,000</u>	<u>\$340,960</u>

Marquette County Refunding Bonds (Unlimited Tax) Series 1998 issued for \$1,585,000 of which \$1,485,000 was part of the refunding. The refunding resulted in a net savings of \$109,140. The refunding bonds are dated July 1, 1998, mature annually as scheduled above and bear interest at a maximum of 6.0% per annum.

**COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 5 - LONG-TERM DEBT - CONTINUED

**SCHEDULE OF MARQUETTE COUNTY REFUNDING
BONDS (LIMITED TAX) SERIES 1998A**

December 31, 2006

YEAR	May 1		November 1	
	INTEREST	PRINCIPAL	INTEREST	TOTAL
2007	46,698	330,000	39,603	416,301
2008	39,603	330,000	32,508	402,111
2009	32,509	340,000	25,027	397,536
2010	25,028	345,000	17,438	387,466
2011-2013	33,862	775,000	16,425	825,287
TOTALS	<u>\$177,700</u>	<u>\$2,120,000</u>	<u>\$131,001</u>	<u>\$2,428,701</u>

Marquette County Refunding (Limited Tax) Series 1998A issued for \$7,665,000 of which \$6,195,000 was part of the refunding. The refunding resulted in a net savings of \$234,543. The refunding bonds are dated July 1, 1998, mature annually as scheduled above and bear interest at a maximum of 6.0% per annum.

**SCHEDULE OF MARQUETTE COUNTY REFUNDING BONDS
(LIMITED TAX) SERIES 1998B**

December 31, 2006

YEAR	March 1		September 1	
	INTEREST	PRINCIPAL	INTEREST	TOTAL
2007	1,628	70,000	-	71,628
TOTALS	<u>\$1,628</u>	<u>\$70,000</u>	<u>\$ -</u>	<u>\$71,628</u>

Marquette County Refunding Bonds (Limited Tax) Series 1998B issued for \$470,000. The refunding resulted in a net savings of \$36,601. The refunding bonds are dated July 1, 1998, mature annually as scheduled above and bear interest at a maximum of 6.0% per annum.

NOTE 6 – INTER-FUND BALANCES

TO/FROM	General Fund	Revenue Sharing Reserve Fund	Non-Major Governmental Fund	Fiduciary Funds	Total Due From
General Fund	-	1,153,161	7,449	20,000	1,180,610
Revenue Sharing Reserve Fund	2,540,395	-	-	-	2,540,395
Total Due To	<u>2,540,395</u>	<u>1,153,161</u>	<u>7,449</u>	<u>20,000</u>	<u>3,721,005</u>

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 7 – INTER-FUND TRANSFERS IN AND OUT

<u>IN/OUT</u>	<u>General Fund</u>	<u>Health Department Funds</u>	<u>Revenue Sharing Reserve Fund</u>	<u>Airport Stabilization Fund</u>	<u>Non-Major Governmental Fund</u>	<u>100% Tax Payment Fund</u>	<u>Internal Service Funds</u>	<u>Total Transfers In</u>
General Fund	-	-	1,153,161	-	10,000	425,000	-	1,588,161
Health Department Fund	207,452	-	-	-	-	-	50,000	257,452
Non-Major Governmental Funds	1,459,833	13,875	-	-	-	-	-	1,473,708
Internal Service Funds	156,000	-	-	-	-	-	-	156,000
Medical Care Facility Operating Fund	-	-	-	-	300,000	-	-	300,000
Airport Fund	-	-	-	720,836	-	-	-	720,835
Total Transfers Out	<u>\$1,823,285</u>	<u>\$13,875</u>	<u>\$1,153,161</u>	<u>\$720,835</u>	<u>\$310,000</u>	<u>\$425,000</u>	<u>\$50,000</u>	<u>\$4,496,156</u>

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 8 – CAPITAL ASSETS

A summary of the capital assets of the Governmental Activities is as follows:

	Balance at December 31, 2005	Additions	Disposals	Balance at December 31, 2006
GOVERNMENTAL ACTIVITIES:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Land	<u>367,733</u>	<u>-</u>	<u>-</u>	<u>367,733</u>
Total Capital Assets, not being depreciated	<u>\$ 367,733</u>	<u>-</u>	<u>-</u>	<u>\$ 367,733</u>
Land Improvements	35,891	-	-	35,891
Buildings	12,284,979	237,792	-	12,522,771
Equipment	<u>2,971,623</u>	<u>315,319</u>	<u>139,406</u>	<u>3,147,536</u>
Total Capital Assets, being depreciated	<u>15,292,493</u>	<u>553,111</u>	<u>139,406</u>	<u>15,706,198</u>
Less Accumulated Depreciation:				
Land Improvements	(25,787)	(919)	-	(26,706)
Buildings	(7,865,917)	(310,492)	-	(8,176,409)
Equipment	<u>(1,590,687)</u>	<u>(416,636)</u>	<u>(135,944)</u>	<u>(1,871,379)</u>
Total Accumulated Depreciation	<u>(9,482,391)</u>	<u>(728,047)</u>	<u>(135,944)</u>	<u>(10,074,494)</u>
Government-Type Activities Capital Assets, Net	<u>\$ 6,177,835</u>	<u>\$ (174,936)</u>	<u>\$ 3,462</u>	<u>\$ 5,999,437</u>

Depreciation expenses for the governmental activities were charged to the following functions and activities of the primary government:

Governmental:	
Courts	\$ 10,254
Law Enforcement	343,139
Resource Management	55,716
Other	318,938
Total	<u>\$ 728,047</u>

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 8 – CAPITAL ASSETS - CONTINUED

A summary of changes in business-type activities capital assets is as follows:

	Balance at December 31, <u>2005</u>	<u>Additions</u>	<u>Disposals</u>	Balance at December 31, <u>2006</u>
BUSINESS-TYPE ACTIVITIES:				
Construction in progress	\$2,734,746	\$5,581,568	\$7,859,738	\$456,576
Land	<u>15,225,586</u>	<u>44,900</u>	<u>-</u>	<u>15,270,486</u>
Total Capital Assets, not being depreciated	<u>17,960,332</u>	<u>5,626,468</u>	<u>7,859,738</u>	<u>15,727,062</u>
Land improvements	12,021,213	-	-	12,021,213
Buildings	28,763,968	7,894,151	-	36,658,119
Utility Systems	2,553,917	-	-	2,553,917
Equipment	<u>2,809,404</u>	<u>143,692</u>	<u>-</u>	<u>2,953,096</u>
Total Capital Assets, being depreciated	<u>46,148,502</u>	<u>8,037,843</u>	<u>-</u>	<u>54,186,345</u>
Less Accumulated Depreciation:				
Land Improvements	(2,382,610)	(148,951)	-	(2,531,561)
Buildings	(7,441,685)	(1,286,494)	-	(8,728,379)
Utility Systems	(141,986)	(127,696)	-	(269,682)
Equipment	<u>(1,607,780)</u>	<u>(325,313)</u>	<u>-</u>	<u>(1,933,093)</u>
Total Accumulated Depreciation	<u>(11,574,261)</u>	<u>(1,888,454)</u>	<u>-</u>	<u>(13,462,715)</u>
Business-Type Activities Capital Assets, Net	<u>\$52,534,573</u>	<u>\$11,775,857</u>	<u>\$7,859,738</u>	<u>\$56,450,692</u>

Depreciation expense for the business-type activities was charged to the following funds primary government:

Business-Type Activities:	
Medical Care Facility	\$ 450,418
Airport	1,041,515
Forestry	16,678
Sewer	261,128
Water	118,715
Total Depreciation Expense – Business-Type Activities	<u>\$1,888,454</u>

**COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 8 – CAPITAL ASSETS - CONTINUED

A summary of component units' capital assets is as follows:

	<u>Road Commission</u>	<u>Total Component Units</u>
COMPONENT UNITS:		
Capital Assets Not Being Depreciated:		
Land	\$ 272,377	\$ 272,377
Land Improvements - Infrastructure	21,017,850	21,017,850
Construction in Progress	-	-
Subtotal	<u>\$ 21,290,227</u>	<u>\$ 21,290,227</u>
Capital Assets Being Depreciated:		
Depletable Assets	\$ 161,686	\$ 161,686
Buildings	2,103,724	2,103,724
Road Equipment	11,054,210	11,054,210
Shop Equipment	151,310	151,310
Office Equipment	197,733	197,733
Engineers' Equipment	74,095	74,095
Yard and Storage	697,361	697,361
Vehicles	36,975	36,975
Infrastructure - Bridges	4,984,372	4,984,372
Infrastructure - Roads	27,987,783	27,987,783
Subtotal	<u>47,449,249</u>	<u>47,449,249</u>
Less Accumulated Depreciation:		
Depletable Assets	(161,686)	(161,686)
Buildings	(1,225,784)	(1,225,784)
Road Equipment	(9,991,552)	(9,991,552)
Shop Equipment	(113,056)	(113,056)
Office Equipment	(179,150)	(179,150)
Engineers' Equipment	(62,480)	(62,480)
Yard and Storage	(207,174)	(207,174)
Vehicles	(36,975)	(36,975)
Infrastructure - Bridges	(1,388,876)	(1,388,876)
Infrastructure - Roads	(12,793,455)	(12,793,455)
Subtotal	<u>(26,160,188)</u>	<u>(26,160,188)</u>
Net Capital Assets Being Depreciated	<u>21,289,061</u>	<u>21,289,061</u>
Total Net Capital Assets	<u>\$ 42,579,288</u>	<u>\$ 42,579,288</u>

Depreciation expense for the component units was charged to the following funds:

Component Units:	
Road Commission	<u>\$ 2,074,334</u>
Total Depreciation Expense – Component Units	<u>\$ 2,074,334</u>

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 9 – DEFERRED REVENUES

Deferred revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

1. The County has deferred revenue related to the property tax levied December 1, 2006, to be recorded as revenue in the subsequent year when the proceeds of the levy are budgeted and made available for financing of County operations. The Deferred Revenue Related to this is as follows:

General Fund	\$1,265,891
Maintenance of Effort Fund	\$ 834,819
Central Dispatch Fund	\$ 772,066
Rescue Safety Fund	\$ 236,779
Commission on Aging Fund	\$ 695,042

2. The Community and Economic Development Fund has reported \$ 2,253,426, which represents Community Development Block Grant loans to various individuals in accordance with the County housing rehabilitation projects. Terms vary with respect to repayment of these loans. Proceeds from repayments on these loans will be used for future County economic and community development.
3. The Medical Care Facility Fund has reported \$0, which represents Proportionate Share Reimbursement Program monies from the State of Michigan.
4. The County Road Commission Fund has reported \$163,268, which represents Forest Road Monies that have been paid, but not yet expended.

NOTE 10 – PENSION PLAN – DEFINED BENEFIT

DEFINED BENEFIT PENSION PLAN – COUNTY

Plan Description - The County contributes to the Municipal Employees Retirement System of Michigan (System), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for all Michigan municipal employees. The System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, MI. 48917-9755.

Funding Policy - The obligation to contribute to and maintain the system for these employees was established by negotiation with the County's competitive bargaining units, and requires a contribution from the employees of 2-3 % of gross wages.

Annual Pension Cost - For year ended December 31, 2006, the County's annual pension cost of \$1,452,420 for the plan was equal to the County's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2004, using the entry actual age cost method. Significant actuarial assumptions used include: (a) an 8.0 investment rate of return; and (b) projected salary increases of 4.5 percent per year. Both (a) and (b) include an inflation component of 4.5%. The actuarial value of assets was determined using techniques that smooth the effects of short term volatility over a four year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 30 years.

**COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 10 – PENSION PLAN – DEFINED BENEFIT - CONTINUED

	Three-Year Trend Information Fiscal Year Ended December 31		
	2005	2004	2003
Annual Pension Cost	\$ 2,467,716	\$ 1,732,740	\$ 1,629,336
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation	0	0	0
Actuarial Value of Assets	\$43,191,380	\$40,640,732	\$37,957,526
Actuarial Accrued Liability (AAL)	\$62,694,361	\$58,203,010	\$51,529,502
Unfunded AAL	\$19,502,981	\$17,562,278	\$13,571,976
Funded Ratio	69%	70%	74%
Covered Payroll	\$10,851,221	\$12,289,495	\$11,838,045
UAAL as a Percentage of Covered Payroll	180%	143%	115%

DEFINED BENEFIT PENSION PLAN – COUNTY ROAD COMMISSION

Plan Description - The County Road Commission contributes to the Municipal Employees Retirement System of Michigan (System), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for all Michigan municipal employees. The System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, MI 48917-9755.

Funding Policy - The obligation to contribute to and maintain the system for these employees was established by negotiation with the County's competitive bargaining units, and requires a contribution from the employees of 0-10 % of gross wages.

Annual Pension Cost - For year ended September 30, 2006, the County Road Commission's annual pension cost of \$672,864 for the plan was equal to the County's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2004, using the entry actual age cost method. Significant actuarial assumptions used include: (a) an 8.0 investment rate of return; and (b) projected salary increases of 4.5 percent per year. Both (a) and (b) include an inflation component of 4.5%. The actuarial value of assets was determined using techniques that smooth the effects of short term volatility over a four year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 30 years.

	Three-Year Trend Information Fiscal Year Ended September 30		
	2005	2004	2003
Annual Pension Cost	\$ 857,852	\$ 625,119	\$ 547,698
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation	0	0	0
Actuarial Value of Assets	\$ 9,732,041	\$ 9,113,598	\$ 8,691,001
Actuarial Accrued Liability (AAL)	\$18,121,910	\$17,146,651	\$ 5,508,649
Unfunded AAL (UAAL)	\$ 8,389,869	\$ 8,033,053	\$ 6,817,648
Funded Ratio	54%	53%	56%
Covered Payroll	\$ 2,728,736	\$2,671,786	\$ 2,503,371
UAAL as a Percentage of Covered Payroll	307%	301%	272%

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 11 – DEFINED CONTRIBUTION PENSION PLAN

The County also provides pension benefits to its employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The County established the plans in the form of the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust, as amended by and as authorized by Section 19A of the Municipal Employee's Retirement System of Michigan Plan Document. The ICMA Retirement Corporation is the Plan Administrator. The County's total pension expense for this plan for this current fiscal year was \$286,340.

NOTE 12 – DEFERRED COMPENSATION PLAN

The County of Marquette and its Component Unit's offers its employees deferred compensation plans in accordance with the Internal Revenue Code, Section 457. The plans are available to all county employees and permit them to defer a portion of their current earnings until the employee's termination, retirement, death or unforeseeable future.

Due to changes in the Internal Revenue Code, the Plan's assets are considered to be property of the Plan's participants and no longer subject to the County's general creditors. Therefore, in accordance with the provisions of GASB Statement No. 32, the Plan balances and activities are not reflected in these financial statements.

The Plan's participants have the right to designate how the funds will be invested. Accordingly, the County has no liability for losses under the Plan. The Plan's assets are held in trust for the exclusive benefit of the Plan's participants and their beneficiaries.

The County's plans are administered by International City Management Association (ICMA), Nationwide, and F. T. Jones. The plan administers, agree to hold harmless and indemnify the Board, its appointed and elected officers and participating employees from any loss resulting from their failure to perform their duties and services pursuant to the programs.

NOTE 13 - VESTED EMPLOYEE BENEFITS

The County accrues the liability for earned sick leave based on the vesting method. The liability is accrued as the benefits are earned if it is probable that the County will compensate the employees conditioned upon retirement, death, or termination of employment. Employees earn annual vacation, sick, and combined leave at a rate of a certain number of days per year based on the number of years of service up to a maximum number of accumulated days. Annual vacation, sick, and combined leave days are based on various Labor Union Contract terms and administrative policies of the primary government.

**COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 14 – BUDGET VIOLATIONS

Public Act 621 of 1978, Section 18(1), as amended, provides that a County shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the County's actual expenditures and budgeted expenditures have been shown on an activity and/or program level.

The following funds/departments had excess expenditures over appropriations at December 31, 2006:

<u>Fund/Line Item</u>	<u>Final Amended Budget</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Special Revenue Funds:			
Remonumentation Fund	\$179,327	\$180,398	\$1,071

NOTE 15 – CONTINGENT LIABILITIES

The County has received significant financial assistance from state and federal agencies in the form of various grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreement and are subject to audit by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the applicable fund of the County. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the county at December 31, 2006.

Risk Management - The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has obtained commercial insurance to handle its risk of loss.

Cost Settlement - Medical Care Facility services rendered to various insurance program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a client classification system that is based on clinical, diagnostic, and other factors. Certain health services and defined capital costs are paid based on a cost reimbursement methodology. The facility reports such activity through the submission of its annual cost reports which are subject to audit by the fiscal intermediary. The facility's classification of clients under the program and the appropriateness of their admission are subject to an independent review by a peer review organization.

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS

The County offers group benefits health insurance coverage under various collective bargaining agreements covering substantially all employees and former employees of the County. This benefit is accounted for on the pay-as-you-go method, whereby the County is reporting the amounts paid as expenditures in the year the amount is paid for the benefit provided. The amount paid for former employees for the period ended December 31, 2006, was \$1,225,426, covering 115 participants.

**COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 17 – RESERVED, DESIGNATED AND RESTRICTED FUND EQUITY

Fund balances in the various funds of the primary government and its component units have been reserved, designated or restricted for the following purposes:

General Fund	
Designated for Risk Control	\$ 30,397
Designated for Family Counseling	21,794
Designated for Vehicle Replacement	7,851
Orthophoto Upgrade	6,482
Designated for Criminal Justice Training	3,409
TOTAL	<u>69,933</u>
Special Revenue Funds	
Public Improvement	
Designated for projects	429,663
Victim Restitution	
Designated for Probation Oversight	5,782
Central Dispatch	
Designated for Training	6,170
Designated for PSAP Operations	261,447
TOTAL	<u>703,062</u>
Enterprise Funds	
Airport	
Designated for Capital Improvement	376,057
Forestry	
Designated for Capital Improvement	126,600
TOTAL	<u>502,657</u>
Component Units	
County Road	
Designated for County Road Commission Operations	5,099,705
E.D.C.	
Designated for E.D.C. Operations	1,057,018
TOTAL	<u>6,156,723</u>

NOTE 18 – PROPERTY TAXES

The Local Governmental Unit property tax is levied on each December 1st on the taxable valuation of property (as defined by State statutes) located in the Local Governmental Unit as of the preceding December 31st.

Although the Local Governmental Unit 2006 ad valorem tax is levied and collectible on December 1, 2006, it is the Local Governmental Unit's policy to recognize revenue from the current tax levy in the following year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period sixty (60) days.

**COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 18 – PROPERTY TAXES - CONTINUED

The 2006 taxable valuation of the Local Governmental Unit totaled \$1,589,526,919, on which ad valorem taxes levied consisted of 5.4096 mills for the County operating purposes, .4474 mills for Aging Services, .4855 mills for Central Dispatch, .1525 mills for Rescue Safety, .5374 mills for Standardization, and .5862 mills for Countywide transit.

NOTE 19 – DEFICIT CASH AND INVESTMENT BALANCES

At December 31, 2006, the following funds had a material cash and investment deficit:

<u>Fund</u>	<u>Deficit Cash/ Investment Balance</u>
Special Revenue Funds	
Friend of the Court	4,109
Health Department	468,864
P.A. 511 Community Corrections	11,427
MCTV	17,743

NOTE 20 - PRIOR PERIOD EQUITY ADJUSTMENTS/RESTATEMENTS

In December 2006, the Marquette County Component Unit Debt Service Funds recorded \$3,380,000 relating to the receivable related to conduit debt service. This amount represents the unpaid principal portion of these bonds at January 1, 2006.

In September 2006, the Marquette County Road Commission implemented the retroactive reporting for infrastructure assets. These created an increase in the net capital assets of \$38,826,185 from the prior year net assets.

As of January 1, 2006, the net assets of the 100% Tax Payment Fund previously reported as a governmental fund was reclassified as a business-type activity fund. Accordingly, beginning fund balances were restated by \$5,745,491 for such reclassification.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

	Original Budget	Final Amended Budget	Actual	Variance
REVENUES				
Taxes and penalties	\$ 10,525,958	\$ 10,623,465	\$ 10,657,760	\$ 34,295
Licenses and permits	521,282	553,282	551,059	(2,223)
Federal sources	23,930	977,519	846,174	(131,345)
State sources	1,114,633	1,014,735	980,939	(33,796)
Charges for services	2,887,237	2,975,437	2,926,910	(48,527)
Interest	250,000	250,000	487,670	237,670
Other Revenues	883,482	975,899	992,606	16,707
TOTAL REVENUES	16,206,522	17,370,337	17,443,118	72,781
EXPENDITURES				
Current				
Legislative	238,092	236,592	228,801	7,791
Courts	3,130,013	3,045,818	2,964,521	81,297
Management	1,038,172	1,048,672	1,015,666	33,006
Public Records	1,513,016	1,434,966	1,392,222	42,744
Law Enforcement	4,921,848	5,425,082	5,185,760	239,322
Human Services	76,272	78,772	75,447	3,325
Resource Management/Development	1,883,297	1,931,377	1,840,231	91,146
Other	3,187,263	4,310,891	4,105,887	205,004
TOTAL EXPENDITURES	15,987,973	17,512,170	16,808,535	703,635
EXCESS REVENUES OVER (UNDER) EXPENDITURES	218,549	(141,833)	634,583	776,416
OTHER FINANCING SOURCES (USES)				
Transfers in	1,714,500	1,751,661	1,588,161	(163,500)
Transfers out	(1,933,049)	(1,939,828)	(1,823,285)	116,543
TOTAL OTHER FINANCING SOURCES(USES)	(218,549)	(188,167)	(235,124)	(46,957)
CHANGE IN FUND BALANCE	-	(330,000)	399,459	729,459
Fund balance, beginning of year	1,202,379	1,202,379	1,202,379	-
FUND BALANCE, END OF YEAR	\$ 1,202,379	\$ 872,379	\$ 1,601,838	\$ 729,459

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS

HEALTH DEPARTMENT FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
State sources	\$ 1,985,237	\$ 2,625,661	\$ 2,523,450	\$ (102,211)
Charges for services	1,047,066	1,150,873	1,181,933	31,060
Other Revenues	535,062	467,351	485,253	17,902
TOTAL REVENUES	<u>3,567,365</u>	<u>4,243,885</u>	<u>4,190,636</u>	<u>(53,249)</u>
EXPENDITURES				
Personnel services	3,477,820	3,330,661	3,352,626	(21,965)
Supplies	237,017	229,592	564,694	(335,102)
Other services and charges	443,317	846,511	500,652	345,859
Capital outlay	7,504	50,176	12,366	37,810
TOTAL EXPENDITURES	<u>4,165,658</u>	<u>4,456,940</u>	<u>4,430,338</u>	<u>26,602</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(598,293)</u>	<u>(213,055)</u>	<u>(239,702)</u>	<u>(26,647)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	598,293	213,055	257,452	44,397
Transfers out	-	-	(13,875)	(13,875)
TOTAL OTHER FINANCING SOURCES(USES)	<u>598,293</u>	<u>213,055</u>	<u>243,577</u>	<u>30,522</u>
CHANGE IN FUND BALANCE	-	-	3,875	3,875
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR \$	<u>-</u>	<u>-</u>	<u>\$ 3,875</u>	<u>\$ 3,875</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS

COMMUNITY DEVELOPMENT FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

	Original Budget	Final Amended Budget	Actual	Variance
REVENUES				
State sources	\$ 128,700	\$ 202,700	\$ 156,207	\$ (46,493)
Interest	2,300	2,300	5,043	2,743
Other Revenues	52,000	82,500	109,458	26,958
TOTAL REVENUES	<u>183,000</u>	<u>287,500</u>	<u>270,708</u>	<u>(16,792)</u>
EXPENDITURES				
Personnel services	42,495	47,995	45,543	2,452
Supplies	6,900	6,900	3,557	3,343
Other services and charges	133,605	232,605	218,786	13,819
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	<u>183,000</u>	<u>287,500</u>	<u>267,886</u>	<u>19,614</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>2,822</u>	<u>2,822</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>2,822</u>	<u>2,822</u>
Fund balance, beginning of year	<u>95,321</u>	<u>95,321</u>	<u>95,321</u>	<u>-</u>
FUND BALANCE, END OF YEAR \$	<u><u>95,321</u></u>	<u><u>95,321</u></u>	<u><u>98,143</u></u>	<u><u>2,822</u></u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS

REVENUE SHARING RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes and penalties	\$ -	\$ -	\$ 2,540,395	\$ 2,540,395
Interest	-	-	84,736	84,736
Other Revenues	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>2,625,131</u>	<u>2,625,131</u>
EXPENDITURES				
Personnel services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>2,625,131</u>	<u>2,625,131</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,116,000)	(1,153,161)	(1,153,161)	-
TOTAL OTHER FINANCING SOURCES(USES)	<u>(1,116,000)</u>	<u>(1,153,161)</u>	<u>(1,153,161)</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>(1,116,000)</u>	<u>(1,153,161)</u>	<u>1,471,970</u>	<u>2,625,131</u>
Fund balance, beginning of year	<u>3,348,463</u>	<u>3,348,463</u>	<u>3,348,463</u>	<u>-</u>
FUND BALANCE, END OF YEAR \$	<u><u>2,232,463</u></u>	<u><u>2,195,302</u></u>	<u><u>4,820,433</u></u>	<u><u>2,625,131</u></u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS

AIRPORT STABILIZATION FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

	Original Budget	Final Amended Budget	Actual	Variance
REVENUES				
Taxes and penalties	\$ -	\$ -	\$ -	-
Interest	20,000	117,000	117,199	199
Other Revenues	1,250,000	90,000	91,149	1,149
TOTAL REVENUES	<u>1,270,000</u>	<u>207,000</u>	<u>208,348</u>	<u>1,348</u>
EXPENDITURES				
Personnel services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	7,500	7,036	464
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>7,500</u>	<u>7,036</u>	<u>464</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>1,270,000</u>	<u>199,500</u>	<u>201,312</u>	<u>1,812</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(720,835)	(720,835)	(720,835)	-
TOTAL OTHER FINANCING SOURCES(USES)	<u>(720,835)</u>	<u>(720,835)</u>	<u>(720,835)</u>	<u>-</u>
CHANGE IN FUND BALANCE	549,165	(521,335)	(519,523)	1,812
Fund balance, beginning of year	5,069,501	5,069,501	5,069,501	-
FUND BALANCE, END OF YEAR \$	<u><u>5,618,666</u></u>	<u><u>4,548,166</u></u>	<u><u>4,549,978</u></u>	<u><u>1,812</u></u>

The accompanying notes are an integral part of these financial statements.

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF MARQUETTE, MICHIGAN

GENERAL FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$	4,069,883
Receivables		290,957
Taxes receivable - current		218,074
Taxes receivable - delinquent personal		83,931
Due from others		23,574
Due from other funds		1,180,610
Other assets		<u>305,311</u>

TOTAL ASSETS \$ 6,172,340

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$	345,455
Due to others		37
Due to other funds		2,540,395
Accrued payroll and related		367,339
Accrued sick & vacation leave		51,295
Deferred revenue		<u>1,265,981</u>

TOTAL LIABILITIES 4,570,502

FUND BALANCE

Designated for:

Vehicle Replacement	\$	7,851	
Family Counseling		21,794	
Risk Control		30,397	
Orthophoto Upgrade		6,482	
Criminal Justice Reserve		<u>3,409</u>	69,933

Unreserved 1,531,905

TOTAL FUND BALANCE 1,601,838

TOTAL LIABILITIES AND FUND BALANCE \$ 6,172,340

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF REVENUES AND OPERATING TRANSFERS IN – BUDGET AND ACTUAL

For the Year Ended December 31, 2006

	Original Budget	Final Amended Budget	Actual	Variance
TAXES AND PENALTIES				
Ad Valorem Taxes	\$ 8,759,283	\$ 8,851,343	\$ 8,891,407	\$ 40,064
Commercial Forest Taxes	160,000	160,000	158,042	(1,958)
Specific Taxes	1,062,000	1,045,000	1,045,271	271
Trailer Taxes	3,000	3,000	2,974	(26)
Swamp Tax	194,500	194,500	194,525	25
Federal Lands Tax	20,000	23,000	23,062	62
P.I.L.T. for M.S.H.D.A. Properties	13,000	13,000	7,829	(5,171)
Single Business Inventory Tax	-	-	-	-
Cigarette Tax	37,948	37,948	38,173	225
Convention & Tourism Tax	269,227	276,674	276,674	-
Interest on Taxes	5,000	19,000	19,803	803
State Sold Bid Interest	2,000	-	-	-
TOTAL TAXES AND PENALTIES	10,525,958	10,623,465	10,657,760	34,295
LICENSES AND PERMITS				
Marriage Licenses	3,000	3,000	2,990	(10)
Pistol Permits	12,000	12,000	5,980	(6,020)
Other Licenses and Permits	11,000	11,000	11,335	335
Building Permits	495,282	527,282	530,754	3,472
TOTAL LICENSES AND PERMITS	521,282	553,282	551,059	(2,223)
FEDERAL GRANTS				
Department of Justice	-	46,450	42,081	(4,369)
NRCS (Flood) Subgrantees	-	470,000	470,000	-
Domestic Violence Grant	-	176,369	129,447	(46,922)
CERT Grant Revenue	-	23,601	23,601	-
Homeland Security	-	244,314	164,257	(80,057)
Emergency Services Management (FEMA)	23,930	16,785	16,788	3
TOTAL FEDERAL GRANTS	23,930	977,519	846,174	(131,345)
STATE GRANTS				
State Court Funding	321,500	321,500	293,369	(28,131)
Judicial Standardization	235,500	235,500	220,775	(14,725)
State Aid-Case Flow Assistance	17,000	17,000	18,431	1,431
Probate Judges Salary	94,000	94,000	109,885	15,885
Byrne Grant	60,323	-	-	-
Basic Grant	15,000	15,000	15,000	-
County Juvenile Officer	27,317	27,317	27,317	-
Victim's Rights Act	26,500	26,500	26,236	(264)
Reintegration Grant	49,200	40,200	40,079	(121)
Prosecuting Attorney (Prison Case)	2,000	2,000	875	(1,125)
Criminal Justice Training	7,000	7,000	6,180	(820)
Township Liquor License Fees	9,000	9,000	8,584	(416)
Road Patrol – P.A. 416	125,000	125,000	119,110	(5,890)
U.P.S.E.T. Grant	35,000	35,800	35,832	32
U.P.S.E.T. Travel Match	-	400	408	8
Substance Abuse Grant	31,390	35,700	35,721	21
Drug Enforcement/Probation Grant	40,814	22,309	22,512	203
L.E.P.C. Grant	-	-	26	26
Community Service Work Group	18,089	109	111	2
Project H.E.M.P.	-	400	488	88
TOTAL STATE GRANTS	1,114,633	1,014,735	980,939	(33,796)

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF REVENUES AND OPERATING TRANSFERS IN – BUDGET AND ACTUAL

For the Year Ended December 31, 2006

	Original Budget	Final Amended Budget	Actual	Variance
CHARGES FOR SERVICES				
Circuit Court Costs	\$ 40,500	\$ 30,500	\$ 34,831	\$ 4,331
Circuit Court Services	40,000	40,000	25,362	(14,638)
Prison Case Reimbursement	30,000	6,000	8,042	2,042
District Court Costs	712,000	720,000	714,381	(5,619)
District Court Supervision Fees	207,000	215,000	217,457	2,457
Probation Officer Assessment Fees	26,000	22,000	21,832	(168)
District Court Assaultive Counseling Fees	8,000	8,000	7,410	(590)
District Court Civil Fees	75,000	78,000	80,730	2,730
District Court Attorney Fees	62,000	39,000	37,535	(1,465)
District Court A.A.P.	12,000	9,000	9,065	65
District Court – Drug Court	-	13,000	11,695	(1,305)
Pathways – Drug Court	-	12,500	6,250	(6,250)
Probate Court Services	20,000	20,000	19,142	(858)
Juvenile Offense Dismissals	5,000	-	-	-
Juvenile Division Services	21,100	21,100	22,078	978
Jury Reimbursement Fees	18,000	18,000	11,143	(6,857)
Clerk Services	149,200	181,000	181,257	257
Pre-Sentencing Interview	23,500	7,000	7,161	161
Tax Administration Services	106,000	106,000	95,807	(10,193)
Register of Deeds Services	315,000	275,000	274,752	(248)
Register of Deeds User Fees	45,000	30,000	28,435	(1,565)
Real Estate Transfer Tax	195,000	257,000	256,814	(186)
Remonumentation Administration	1,500	1,500	838	(662)
Transcript Revenue	3,000	3,000	2,494	(506)
Treasurer Services	6,000	8,000	8,121	121
Pros. Attorney–License Reinstatements	500	500	1,508	1,008
Pros. Attorney–Drunk Driving	1,000	1,000	419	(581)
PBT Fees	10,000	10,000	3,402	(6,598)
Pros. Attorney–Fees	52,000	52,000	52,000	-
Sheriff Services	71,600	106,000	108,656	2,656
Contract Road Patrol	168,817	168,817	160,386	(8,431)
Prisoners Board	350,000	395,000	399,415	4,415
Prisoner Reimbursement	50,000	60,000	62,025	2,025
Sale of Meals	1,000	1,000	645	(355)
Commissary Services	3,000	3,000	3,000	-
Drain Commissioner Services	10,000	4,000	3,575	(425)
Zoning Fees	1,350	1,350	1,490	140
Building Code Services	47,170	52,170	47,757	(4,413)
TOTAL CHARGES FOR SERVICES	2,887,237	2,975,437	2,926,910	(48,527)
INTEREST				
Investment Income	250,000	250,000	487,670	237,670
TOTAL INTEREST	250,000	250,000	487,670	237,670

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF REVENUES AND OPERATING TRANSFERS IN - BUDGET AND ACTUAL

For the Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER REVENUE				
Vending/Pay Phone Commissions	32,100	32,100	30,141	(1,959)
Hospital/Insurance Prem Reimbursement	1,500	1,500	1,146	(354)
Ordinance Fines and Costs	25,000	31,000	31,040	40
ADC Incentive	90,000	90,000	76,072	(13,928)
Circuit Court Family Counseling	7,000	7,000	6,242	(758)
Chapter I GED Grant	1,124	1,124	-	(1,124)
Bond Costs/Forfeitures	36,000	34,000	34,525	525
Food Stamp Fraud	500	500	968	468
Rental Income	219,658	219,658	216,495	(3,163)
Election Reimbursements	11,000	18,000	17,315	(685)
General Reimbursements/Refunds	15,000	15,000	36,840	21,840
Sale of Supplies	4,300	1,300	968	(332)
Sale of Assets	-	-	2,110	2,110
GIS Sales/Orthophoto Revenue	800	800	6,482	5,682
Indirect Cost Charges	400,000	432,691	434,194	1,503
Other Revenues	31,500	20,500	27,230	6,730
Local Contributions	-	-	150	150
Indian Gaming Revenues	8,000	70,726	70,727	1
Cash Over/Short	-	-	(39)	(39)
TOTAL OTHER REVENUES	<u>883,482</u>	<u>975,899</u>	<u>992,606</u>	<u>16,707</u>
TOTAL REVENUES \$	<u>16,206,522</u>	<u>\$ 17,370,337</u>	<u>\$ 17,443,118</u>	<u>\$ 72,781</u>
OTHER FINANCING SOURCES				
100% Tax Payment Fund	\$ 585,000	\$ 585,000	\$ 425,000	\$ (160,000)
Transfers from Other Funds	<u>1,129,500</u>	<u>1,166,661</u>	<u>1,163,161</u>	<u>(3,500)</u>
TOTAL OPERATING TRANSFERS IN \$	<u>1,714,500</u>	<u>\$ 1,751,661</u>	<u>\$ 1,588,161</u>	<u>\$ (163,500)</u>

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended December 31, 2006

EXPENDITURES:	Original Budget	Final Amended Budget	Actual	Variance
LEGISLATIVE:				
Board of Commissioners	\$ 209,850	\$ 208,350	\$ 207,392	\$ 958
Personnel Services	2,800	2,800	1,689	1,111
Supplies	25,442	25,442	19,720	5,722
Other Services and Charges	238,092	236,592	228,801	7,791
Total Board of Commissioners	238,092	236,592	228,801	7,791
TOTAL LEGISLATIVE	238,092	236,592	228,801	7,791
COURTS:				
Circuit Court				
Personnel Services	357,425	355,725	353,078	2,647
Supplies	12,300	12,300	9,510	2,790
Other Services and Charges	227,701	223,701	201,812	21,889
Capital Outlay	-	-	-	-
Total Circuit Court	597,426	591,726	564,400	27,326
District Court				
Personnel Services	1,148,571	1,111,571	1,109,184	2,387
Supplies	37,100	42,100	38,972	3,128
Other Services and Charges	215,416	231,166	233,494	(2,328)
Capital Outlay	-	-	-	-
Total District Court	1,401,087	1,384,837	1,381,650	3,187
Jury Commission				
Personnel Services	1,950	1,390	1,253	137
Supplies	7,590	8,350	6,549	1,801
Other Services and Charges	347	347	319	28
Total Jury Commission	9,887	10,087	8,121	1,966
Probate Court				
Personnel Services	400,700	374,000	368,278	5,722
Supplies	8,000	8,000	7,466	534
Other Services and Charges	180,053	235,053	210,971	24,082
Capital Outlay	-	-	-	-
Total Probate Court	588,753	617,053	586,715	30,338
Juvenile Division				
Personnel Services	321,175	332,975	330,815	2,160
Supplies	6,000	6,000	4,624	1,376
Other Services and Charges	97,582	40,259	31,585	8,674
Total Juvenile Division	424,757	379,234	367,024	12,210
Reintegration Grant				
Personnel Services	45,614	36,614	31,312	5,302
Supplies	-	-	-	-
Other Services and Charges	3,586	3,586	2,942	644
Total Reintegration Grant	49,200	40,200	34,254	5,946
Drug Enforcement/Probation Grant				
Personnel Services	33,912	20,667	20,520	147
Supplies	2,000	500	1,045	(545)
Other Services and Charges	4,902	1,142	444	698
Capital Outlay	-	-	-	-
Total Drug Enforcement/Probation Grant	40,814	22,309	22,009	300

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

For the Year Ended December 31, 2006

	Original Budget	Final Amended Budget	Actual	Variance
COURTS – Continued				
Community Service Work				
Personnel Services	\$ 12,951	\$ 325	\$ 311	\$ 14
Supplies	2,447	47	37	10
Other Services and Charges	2,691	-	-	-
Capital Outlay	-	-	-	-
Total Community Service Work	<u>18,089</u>	<u>372</u>	<u>348</u>	<u>24</u>
TOTAL COURTS	<u>3,130,013</u>	<u>3,045,818</u>	<u>2,964,521</u>	<u>81,297</u>
MANAGEMENT:				
County Administrator				
Personnel Services	157,125	156,125	153,094	3,031
Supplies	1,900	1,900	1,404	496
Other Services and Charges	14,027	14,027	12,229	1,798
Total County Administrator	<u>173,052</u>	<u>172,052</u>	<u>166,727</u>	<u>5,325</u>
Human Resources Department				
Personnel Services	125,675	125,675	125,528	147
Supplies	2,150	1,750	1,230	520
Other Services and Charges	135,104	180,504	178,737	1,767
Total Human Resources	<u>262,929</u>	<u>307,929</u>	<u>305,495</u>	<u>2,434</u>
Accounting/Finance				
Personnel Services	247,638	240,638	239,328	1,310
Supplies	7,300	7,300	6,773	527
Other Services and Charges	35,474	33,974	32,157	1,817
Capital Outlay	-	-	-	-
Total Accounting/Finance	<u>290,412</u>	<u>281,912</u>	<u>278,258</u>	<u>3,654</u>
Information Systems				
Personnel Services	252,325	247,325	229,306	18,019
Supplies	4,450	5,450	4,870	580
Other Services and Charges	55,004	34,004	31,010	2,994
Capital Outlay	-	-	-	-
Total Information Systems	<u>311,779</u>	<u>286,779</u>	<u>265,186</u>	<u>21,593</u>
TOTAL MANAGEMENT	<u>1,038,172</u>	<u>1,048,672</u>	<u>1,015,666</u>	<u>33,006</u>
PUBLIC RECORDS:				
County Clerk				
Personnel Services	407,250	389,250	380,416	8,834
Supplies	16,500	18,750	17,999	751
Other Services and Charges	26,320	25,920	24,505	1,415
Total County Clerk	<u>450,070</u>	<u>433,920</u>	<u>422,920</u>	<u>11,000</u>
Elections				
Personnel Services	3,751	2,751	2,775	(24)
Supplies	49,202	43,202	39,047	4,155
Other Services and Charges	8,253	9,753	9,166	587
Total Elections	<u>61,206</u>	<u>55,706</u>	<u>50,988</u>	<u>4,718</u>

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended December 31, 2006

	Original Budget	Final Amended Budget	Actual	Variance
<u>PUBLIC RECORDS - Continued</u>				
Equalization				
Personnel Services	\$ 140,130	\$ 118,200	\$ 113,211	\$ 4,989
Supplies	7,000	6,600	4,672	1,928
Other Services and Charges	23,149	58,949	58,512	437
Capital Outlay	-	-	-	-
Total Equalization	<u>170,279</u>	<u>183,749</u>	<u>176,395</u>	<u>7,354</u>
Tax Administration				
Personnel Services	174,125	151,755	149,862	1,893
Supplies	30,435	31,635	30,407	1,228
Other Services and Charges	29,641	30,941	25,433	5,508
Total Tax Administration	<u>234,201</u>	<u>214,331</u>	<u>205,702</u>	<u>8,629</u>
Register of Deeds				
Personnel Services	268,800	268,300	267,864	436
Supplies	9,500	11,000	10,125	875
Other Services and Charges	7,907	8,707	8,311	396
Total Register of Deeds	<u>286,207</u>	<u>288,007</u>	<u>286,300</u>	<u>1,707</u>
Treasurer				
Personnel Services	279,770	227,770	223,196	4,574
Supplies	4,900	4,900	2,777	2,123
Other Services and Charges	26,383	26,583	23,944	2,639
Capital Outlay	-	-	-	-
Total Treasurer	<u>311,053</u>	<u>259,253</u>	<u>249,917</u>	<u>9,336</u>
TOTAL PUBLIC RECORDS	<u>1,513,016</u>	<u>1,434,966</u>	<u>1,392,222</u>	<u>42,744</u>
<u>LAW ENFORCEMENT:</u>				
Prosecuting Attorney				
Prosecuting Attorney				
Personnel Services	908,875	908,075	905,304	2,771
Supplies	21,000	21,000	18,641	2,359
Other Services and Charges	40,749	40,749	33,079	7,670
Capital Outlay	-	-	-	-
Total Prosecuting Attorney	<u>970,624</u>	<u>969,824</u>	<u>957,024</u>	<u>12,800</u>
Domestic Violence Grant				
Personnel Services	-	89,150	87,426	1,724
Supplies	-	-	-	-
Other Services and Charges	-	84,156	40,021	44,135
Capital Outlay	-	3,063	-	3,063
Total Domestic Violence Grant	<u>-</u>	<u>176,369</u>	<u>127,447</u>	<u>48,922</u>
Total Prosecuting Attorney	<u>970,624</u>	<u>1,146,193</u>	<u>1,084,471</u>	<u>61,722</u>
Sheriff				
Sheriff - Administration				
Personnel Services	275,225	281,825	281,680	145
Supplies	14,850	16,250	12,666	3,584
Other Services and Charges	53,818	54,218	52,739	1,479
Capital Outlay	0	0	0	0
Total Administration	<u>343,893</u>	<u>352,293</u>	<u>347,085</u>	<u>5,208</u>

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

For the Year Ended December 31, 2006

	Original Budget	Final Amended Budget	Actual	Variance
LAW ENFORCEMENT – Continued				
Sheriff – Detective/Investigation				
Personnel Services	\$ 106,095	\$ 108,095	\$ 107,239	\$ 856
Supplies	2,700	3,000	2,349	651
Other Services and Charges	6,582	6,282	3,465	2,817
Total Detective/Investigation	115,377	117,377	113,053	4,324
Sheriff – U.P.S.E.T. Program				
Personnel Services	\$ 73,825	\$ 75,425	\$ 75,179	246
Supplies	-	-	-	-
Other Services and Charges	1,282	1,282	1,021	261
Total U.P.S.E.T. Program	75,107	76,707	76,200	507
Sheriff – Public Safety				
Personnel Services	588,250	639,550	634,604	4,946
Supplies	25,875	34,375	32,212	2,163
Other Services and Charges	31,894	33,394	29,663	3,731
Capital Outlay	-	-	-	-
Total Public Safety	646,019	707,319	696,479	10,840
Sheriff – Township Contracts				
Personnel Services	151,470	151,470	152,359	(889)
Supplies	9,475	9,575	7,732	1,843
Other Services and Charges	5,972	5,872	2,936	2,936
Capital Outlay	-	-	-	-
Total Township Contracts	166,917	166,917	163,027	3,890
Sheriff – P.A. 416				
Personnel Services	135,370	134,870	120,734	14,136
Supplies	8,800	9,300	9,474	(174)
Other Services and Charges	1,916	1,916	1,419	497
Capital Outlay	-	-	-	-
Total P.A. 416	146,086	146,086	131,627	14,459
Sheriff – Court Security				
Personnel Services	191,525	130,025	124,823	5,202
Supplies	600	1,600	550	1,050
Other Services and Charges	2,147	3,147	727	2,420
Capital Outlay	-	-	-	-
Total Court Security	194,272	134,772	126,100	8,672

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended December 31, 2006

	Original Budget	Final Amended Budget	Actual	Variance
<u>LAW ENFORCEMENT - Continued</u>				
Sheriff - GREAT Grant				
Personnel Services	-	29,100	25,634	3,466
Supplies	-	5,650	5,275	375
Other Services and Charges	-	11,700	6,428	5,272
Capital Outlay	-	-	4,744	(4,744)
Total Emergency Services	-	46,450	42,081	4,369
Sheriff - Emergency Services				
Personnel Services	79,485	82,685	81,878	807
Supplies	5,700	28,801	28,035	766
Other Services and Charges	11,029	11,529	11,671	(142)
Capital Outlay	-	-	-	-
Total Emergency Services	96,214	123,015	121,584	1,431
Sheriff - Homeland Security				
Personnel Services	-	-	-	-
Supplies	-	-	-	-
Other Services and Charges	-	-	-	-
Capital Outlay	-	226,814	143,518	83,296
Total Homeland Security	-	226,814	143,518	83,296
Sheriff - E.M.S. Rescue Unit				
Personnel Services	17,650	19,950	18,980	970
Supplies	7,387	7,387	4,526	2,861
Other Services and Charges	13,260	13,260	8,132	5,128
Capital Outlay	-	5,000	5,000	-
Total E.M.S. Rescue Unit	38,297	45,597	36,638	8,959
Sheriff - Rehabilitation				
Personnel Services	1,615,175	1,570,675	1,560,503	10,172
Supplies	18,250	19,250	17,961	1,289
Other Services and Charges	202,428	241,428	228,201	13,227
Total Rehabilitation	1,835,853	1,831,353	1,806,665	24,688
Sheriff - Jail Services				
Personnel Services	259,375	270,375	268,369	2,006
Supplies	1,300	1,300	655	645
Other Services and Charges	-	-	-	-
Total Jail Services	260,675	271,675	269,024	2,651
Sheriff - Substance Abuse Grant				
Other Services and Charges	31,390	31,390	28,208	3,182
Total Substance Abuse Grant	31,390	31,390	28,208	3,182
Sheriff - G.E.D. Grant				
Personnel Services	-	-	-	-
Other Services and Charges	1,124	1,124	-	1,124
Total G.E.D. Grant	1,124	1,124	-	1,124
Total Sheriff	3,951,224	4,278,889	4,101,289	177,600
TOTAL LAW ENFORCEMENT	4,921,848	5,425,082	5,185,760	239,322

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

For the Year Ended December 31, 2006

	Original Budget	Final Amended Budget	Actual	Variance
HUMAN SERVICES:				
Cooperative Extension Service				
Personnel Services	59,630	62,130	59,973	\$ 2,157
Supplies	7,300	7,500	7,246	254
Other Services and Charges	9,342	9,142	8,228	914
Total Cooperative Extension	76,272	78,772	75,447	3,325
TOTAL HUMAN SERVICES	76,272	78,772	75,447	3,325
RESOURCE MANAGEMENT AND DEVELOPMENT:				
Drain Commissioner				
Personnel Services	55,788	51,788	51,367	421
Supplies	200	200	-	200
Other Services and Charges	15,832	15,832	9,398	6,434
Total Drain Commissioner	71,820	67,820	60,765	7,055
Plat Board				
Personnel Services	600	600	200	400
Supplies	-	-	-	-
Other Services and Charges	-	-	-	-
Total Plat Board	600	600	200	400
Mine Inspector				
Personnel Services	48,805	48,805	48,715	90
Supplies	100	100	116	(16)
Other Services and Charges	1,982	1,982	1,226	756
Capital Outlay	-	-	-	-
Total Mine Inspector	50,887	50,887	50,057	830
Resource Management & Development Department				
Overall Administration				
Personnel Services	150,329	155,829	153,715	2,114
Supplies	2,500	2,600	839	1,761
Other Services and Charges	20,796	20,696	18,384	2,312
Capital Outlay	-	-	-	-
Total Overall Administration	173,625	179,125	172,938	6,187
Planning Commission				
Personnel Services	233,203	247,903	234,580	13,323
Supplies	5,000	5,500	3,841	1,659
Other Services and Charges	15,821	15,996	8,405	7,591
Capital Outlay	-	-	-	-
Total Planning Commission	254,024	269,399	246,826	22,573
Hazard Mitigation Plan				
Personnel Services	-	-	-	-
Supplies	-	-	-	-
Other Services and Charges	-	18,105	18,105	-
Capital Outlay	-	-	-	-
Total Hazard Mitigation Plan	-	18,105	18,105	-
Building Code				
Personnel Services	536,785	545,785	544,917	868
Supplies	17,409	16,609	21,428	(4,819)
Other Services and Charges	39,536	40,336	19,197	21,139
Capital Outlay	950	950	677	273
Total Building Code	594,680	603,680	586,219	17,461

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>RESOURCE MANAGEMENT AND DEVELOPMENT - Continued</u>				
Courthouse, Annex, Jail				
Personnel Services	392,917	363,417	346,242	\$ 17,175
Supplies	19,425	20,825	18,976	1,849
Other Services and Charges	252,340	286,040	274,938	11,102
Capital Outlay	6,500	15,000	15,359	(359)
Total Courthouse, Annex, Jail	<u>671,182</u>	<u>685,282</u>	<u>655,515</u>	<u>29,767</u>
Internal Services Support				
Personnel Services	44,565	34,565	32,928	1,637
Supplies	900	900	514	386
Other Services and Charges	20,189	20,189	16,164	4,025
Capital Outlay	825	825	-	825
Total Internal Serv.Support	<u>66,479</u>	<u>56,479</u>	<u>49,606</u>	<u>6,873</u>
Total Resource Mgmt and Development Departments	<u>1,759,990</u>	<u>1,812,070</u>	<u>1,729,209</u>	<u>82,861</u>
TOTAL RESOURCE MANAGEMENT AND DEVELOPMENT	<u>1,883,297</u>	<u>1,931,377</u>	<u>1,840,231</u>	<u>91,146</u>
OTHER EXPENDITURES:				
Employee Benefits	1,212,300	1,285,500	1,285,208	292
Statutory Programs	115,703	115,703	115,835	(132)
Special Appropriations	1,778,320	2,295,748	2,293,819	1,929
Miscellaneous	80,940	613,940	411,025	202,915
TOTAL OTHER EXPENDITURES	<u>3,187,263</u>	<u>4,310,891</u>	<u>4,105,887</u>	<u>205,004</u>
TOTAL EXPENDITURES	<u>\$ 15,987,973</u>	<u>\$ 17,512,170</u>	<u>\$ 16,808,535</u>	<u>\$ 703,635</u>

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF OPERATING TRANSFERS OUT - BUDGET AND ACTUAL

For the Year Ended December 31, 2006

<u>OPERATING UNIT/FUND</u>	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
COURT APPROPRIATIONS				
Friend of the Court Fund				
Friend of the Court	\$ 242,810	\$ 248,749	\$ 248,749	\$ -
Family Support	72,665	77,294	77,294	-
Law Library Fund	40,205	40,205	40,205	-
Probate Child Care Fund	1,002,667	1,002,667	886,335	116,332
TOTAL COURT APPROPRIATIONS	<u>1,358,347</u>	<u>1,368,915</u>	<u>1,252,583</u>	<u>116,332</u>
HUMAN SERVICE APPROPRIATIONS				
County Health Department Fund	207,452	207,452	207,452	-
Soldier & Sailor Relief Fund	<u>7,250</u>	<u>7,250</u>	<u>7,250</u>	<u>-</u>
TOTAL HUMAN SERVICE APPROPRIATIONS	<u>214,702</u>	<u>214,702</u>	<u>214,702</u>	<u>-</u>
OTHER APPROPRIATIONS				
Insurance Fund	160,000	156,211	156,000	211
Public Improvement Fund	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
TOTAL OTHER APPROPRIATIONS	<u>360,000</u>	<u>356,211</u>	<u>356,000</u>	<u>211</u>
 TOTAL TRANSFERS OUT \$	 <u>1,933,049</u>	 <u>1,939,828</u>	 <u>1,823,285</u>	 <u>\$ 116,543</u>

COUNTY OF MARQUETTE, MICHIGAN

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

December 31, 2006

	Special Revenue Funds	Capital Projects Funds	Total
ASSETS			
Cash and investments	\$ 4,667,513	\$ -	\$ 4,667,513
Receivables	2,959,344	-	2,959,344
Due from State	267,801	-	267,801
Due from others	-	-	-
Due from other funds	-	-	-
Loans Receivable	405,294	-	405,294
Other assets	535	-	535
TOTAL ASSETS	\$ 8,300,487	\$ -	\$ 8,300,487
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Cash overdraft	\$ 33,279	\$ -	\$ 33,279
Accounts payable	1,413,991	-	1,413,991
Due to others	-	-	-
Due to State	24,127	-	24,127
Due to other funds	7,449	-	7,449
Accrued payroll and related	41,960	-	41,960
Accrued sick and vacation	15,022	-	15,022
Deferred revenue	2,538,706	-	2,538,706
TOTAL LIABILITIES	4,074,534	-	4,074,534
FUND BALANCE:			
Designated for:			
Capital Outlay	429,663	-	429,663
Debt service	-	-	-
Other	273,399	-	273,399
Unreserved, reported in:			
Special revenue funds	3,522,891	-	3,522,891
Capital projects funds	-	-	-
TOTAL FUND BALANCE	4,225,953	-	4,225,953
TOTAL LIABILITIES AND FUND BALANCE	\$ 8,300,487	\$ -	\$ 8,300,487

COUNTY OF MARQUETTE, MICHIGAN

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended December 31, 2006

	Special Revenue Funds	Capital Projects Funds	Total
REVENUES:			
Taxes & penalties	\$ 2,323,205	\$ -	\$ 2,323,205
Federal sources	665,753	-	665,753
State sources	1,621,905	-	1,621,905
Charges for services	115,263	-	115,263
Fines and forfeits	-	-	-
Interest	231,516	-	231,516
Other	248,587	-	248,587
TOTAL REVENUES	5,206,229	-	5,206,229
EXPENDITURES:			
Current operations:			
Legislative	\$ -	\$ -	-
Courts	2,717,850	-	2,717,850
Management	-	-	-
Public Records	295,635	-	295,635
Law Enforcement	1,381,239	-	1,381,239
Human Services	1,419,134	-	1,419,134
Resource Mgmt/Development	494,138	-	494,138
Other	47,343	-	47,343
TOTAL EXPENDITURES	6,355,339	-	6,355,339
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,149,110)	-	(1,149,110)
OTHER FINANCING SOURCES(USES):			
Transfers in	1,473,708	-	1,473,708
Transfers out	(310,000)	-	(310,000)
TOTAL OTHER FINANCING SOURCES(USES)	1,163,708	-	1,163,708
CHANGE IN FUND BALANCE	14,598	-	14,598
Fund balance, beginning of year	4,211,355	-	4,211,355
FUND BALANCE, END OF YEAR	\$ 4,225,953	\$ -	\$ 4,225,953

COUNTY OF MARQUETTE, MICHIGAN

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

December 31, 2006

ASSETS	Prosecutor's Forfeiture Account Fund	Domestic Violence Fund	Maintenance of Effort Fund	Public Improvement Fund	Land Acquisition Fund	Victim Restitution Fund	Friend of the Court Fund	Sawyer Maintenance Fund	Sawyer Intermediary Refunding Fund
Cash and investments	\$ 14,877	\$ 1,105	\$ 1,563,456	\$ 440,589	\$ 200,316	\$ 19,268	\$ -	\$ 60,846	\$ 484,671
Receivables	-	-	737,414	1,000	-	-	-	454,062	-
Due from State	-	-	-	-	-	-	97,482	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-	405,294
Other Assets	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 14,877	\$ 1,105	\$ 2,300,870	\$ 441,589	\$ 200,316	\$ 19,268	\$ 97,482	\$ 514,908	\$ 889,965

LIABILITIES AND FUND BALANCE

LIABILITIES:									
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,109	\$ -	\$ -
Accounts payable	-	-	66,337	2,732	-	46	506	466,664	757,642
Due to State	-	-	24,127	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Accrued payroll and related	-	-	-	-	-	-	6,897	-	-
Accrued sick and vacation	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	834,819	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	\$ 925,283	\$ 2,732	-	\$ 46	\$ 11,512	\$ 466,664	\$ 757,642

FUND BALANCE

Designated for:									
Capital Outlay	-	-	-	429,663	-	-	-	-	-
Other	-	-	-	-	-	5,782	-	-	-
Unreserved	14,877	1,105	1,375,587	9,194	200,316	13,440	85,970	48,244	132,323
TOTAL FUND BALANCE	14,877	1,105	1,375,587	438,857	200,316	19,222	85,970	48,244	132,323

TOTAL LIABILITIES AND

FUND BALANCE	\$ 14,877	\$ 1,105	\$ 2,300,870	\$ 441,589	\$ 200,316	\$ 19,268	\$ 97,482	\$ 514,908	\$ 889,965
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COUNTY OF MARQUETTE, MICHIGAN

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

December 31, 2006

ASSETS	Rescue Safety Fund	Law Library Fund	P.A. 511 Fund	Child Care SODA Grant Fund	Building Authority Fund	Sheriff MCTV Grant Fund	Central Dispatch Fund	Probate Child Care Fund
Cash and Investments	\$ 132,167	\$ 6,193	\$ -	\$ 2,751	\$ 359,052	\$ -	\$ 926,560	\$ 13,388
Receivables	209,152	-	544	-	-	38,743	720,362	60,866
Due from State	-	-	16,018	-	-	-	-	154,301
Due from other funds	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-
Other Assets	-	480	55	-	-	-	-	-
TOTAL ASSETS	\$ 341,319	\$ 6,673	\$ 16,617	\$ 2,751	\$ 359,052	\$ 38,743	\$ 1,646,922	\$ 228,555

LIABILITIES AND FUND BALANCE

LIABILITIES:								
Cash overdraft	\$ -	\$ -	\$ 11,427	\$ -	\$ -	\$ 17,743	\$ -	\$ -
Accounts Payable	332	1,771	5,001	-	-	785	12,336	19,941
Due to State	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	7,449	-	-
Accrued payroll and related	4,973	-	-	-	-	-	25,981	-
Accrued sick and vacation	-	-	-	-	-	814	1,471	4,292
Deferred revenue	236,779	-	-	-	-	-	772,066	-
TOTAL LIABILITIES	242,084	1,771	16,428	-	-	26,791	811,854	24,233

FUND BALANCE

Designated for:								
Capital Outlay	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	267,617	-
Unreserved	99,235	4,902	189	2,751	359,052	11,952	567,451	204,322
TOTAL FUND BALANCE	99,235	4,902	189	2,751	359,052	11,952	835,068	204,322
TOTAL LIABILITIES AND FUND BALANCE	\$ 341,319	\$ 6,673	\$ 16,617	\$ 2,751	\$ 359,052	\$ 38,743	\$ 1,646,922	\$ 228,555

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COUNTY OF MARQUETTE, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

December 31, 2006

ASSETS	Soldiers & Sailors Relief Fund	Veterans Trust Fund	Aging Services Fund	Budget Stabilization Fund	Homestead Property Administration Fund	County Remun- eration Fund	Register of Deeds Automation Fund	Total
Cash and investments	\$ 7,693	\$ 2,513	\$ 123,125	\$ 171,110	\$ 15,144	\$ 22,100	\$ 100,589	\$ 4,667,513
Receivables	-	-	644,041	-	-	93,160	-	2,959,344
Due from State	-	-	-	-	-	-	-	267,801
Due from other funds	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	405,294
Other Assets	-	-	-	-	-	-	-	535
TOTAL ASSETS	\$ 7,693	\$ 2,513	\$ 767,166	\$ 171,110	\$ 15,144	\$ 115,260	\$ 100,589	\$ 8,300,487

LIABILITIES AND FUND BALANCE

LIABILITIES:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,279
Cash overdraft	-	-	22,298	-	13	57,587	-	1,413,991
Accounts payable	-	-	-	-	-	-	-	24,127
Due to State	-	-	-	-	-	-	-	7,449
Due to other funds	-	-	10,320	-	-	-	686	41,960
Accrued payroll and related	-	-	1,548	-	-	-	-	15,022
Accrued sick and vacation	-	-	695,042	-	-	-	-	2,538,706
Deferred revenue	-	-	729,208	-	13	57,587	686	4,074,534
TOTAL LIABILITIES	-	-	729,208	-	13	57,587	686	4,074,534

FUND BALANCE

Designated for:	-	-	-	-	-	-	-	429,663
Capital Outlay	-	-	-	-	-	-	-	273,399
Other	-	-	-	-	-	-	-	3,522,891
Unreserved	7,693	2,513	37,958	171,110	15,131	57,673	99,903	4,225,953
TOTAL FUND BALANCE	7,693	2,513	37,958	171,110	15,131	57,673	99,903	4,225,953

TOTAL LIABILITIES AND

FUND BALANCE	\$ 7,693	\$ 2,513	\$ 767,166	\$ 171,110	\$ 15,144	\$ 115,260	\$ 100,589	\$ 8,300,487
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COUNTY OF MARQUETTE, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended December 31, 2006

	Prosecutor's Forfeiture Account	Domestic Violence	Maintenance of Effort	Public Improvement	Land Acquisition	Victim Restitution	Friend of the Court	Sawyer Maintenance Fund	Sawyer Intermediary Relending Fund
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund
REVENUES:									
Taxes and Penalties	\$ -	\$ -	\$ 801,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	-	-	-	-	-	-	594,019	7,481	-
State sources	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	62,971	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Interest	-	-	67,867	-	13,256	-	-	-	44,727
Other	327	-	-	12,000	5,400	6,995	-	-	250
	327	-	868,876	33,822	18,656	6,995	656,990	7,481	44,977
TOTAL REVENUES	\$ 327	\$ -	\$ 868,876	\$ 33,822	\$ 18,656	\$ 6,995	\$ 656,990	\$ 7,481	\$ 44,977

EXPENDITURES:									
Current operations:									
Legislative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Courts	1,500	-	-	-	-	10,212	943,025	-	-
Management	-	-	-	-	-	-	-	-	-
Public Records	-	-	-	41,990	-	-	-	-	-
Law Enforcement	-	-	-	91,987	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-
Resource Management/Development	-	-	408,432	73,273	174,621	-	-	-	246,244
Other	-	-	-	47,343	-	-	-	-	-
	1,500	-	408,432	234,593	174,621	10,212	943,025	-	246,244
TOTAL EXPENDITURES	\$ 1,500	\$ -	\$ 408,432	\$ 234,593	\$ 174,621	\$ 10,212	\$ 943,025	\$ -	\$ 246,244
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,173)	-	460,444	(220,771)	(155,965)	(3,217)	(286,035)	7,481	(201,267)
OTHER FINANCING SOURCES(USES):									
Transfers in	-	-	-	213,875	-	-	326,043	-	-
Transfers out	-	-	(300,000)	-	-	-	-	-	-
	-	-	(300,000)	213,875	-	-	326,043	-	-
TOTAL OTHER FINANCING SOURCES(USES)	-	-	(300,000)	213,875	-	-	326,043	-	-
CHANGES IN FUND BALANCE	(1,173)	-	160,444	(6,896)	(155,965)	(3,217)	40,008	7,481	(201,267)
Fund balance, beginning of year	16,050	1,105	1,215,143	445,753	356,281	22,439	45,962	40,763	333,590
FUND BALANCE, END OF YEAR	\$ 14,877	\$ 1,105	\$ 1,375,587	\$ 438,857	\$ 200,316	\$ 19,222	\$ 85,970	\$ 48,244	\$ 132,323

continued.....

COUNTY OF MARQUETTE, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended December 31, 2006

	Rescue	Law	P.A.	Child Care	Building	Sheriff	Central	Probate
	Safety Fund	Library Fund	511 Fund	SODA Grant Fund	Authority Fund	MCTV Grant Fund	Dispatch Fund	Child Care Fund
REVENUES:								
Taxes and Penalties	\$ 161,435	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 713,656	\$ -
Federal sources	-	-	-	-	-	-	-	-
State sources	92,381	-	88,451	-	-	127,429	161,394	792,493
Charges for services	-	6,500	-	-	-	-	-	45,792
Fines and forfeits	-	-	-	-	-	-	-	-
Interest	5,914	-	-	-	15,642	-	41,540	-
Other	168	-	10,872	-	-	70,127	3,002	-
TOTAL REVENUES	\$ 259,898	\$ 6,500	\$ 99,323	\$ -	\$ 15,642	\$ 197,556	\$ 919,592	\$ 838,285
EXPENDITURES:								
Current operations:								
Legislative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Courts	-	49,178	-	-	-	-	-	1,713,935
Management	-	-	-	-	-	-	-	-
Public Records	-	-	-	-	-	-	-	-
Law Enforcement	232,548	-	99,134	-	-	195,653	761,917	-
Human Services	-	-	-	-	-	-	-	-
Resource Management/Development	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 232,548	\$ 49,178	\$ 99,134	\$ -	\$ -	\$ 195,653	\$ 761,917	\$ 1,713,935
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 27,350	\$ (42,678)	\$ 189	\$ -	\$ 15,642	\$ 1,903	\$ 157,675	\$ (875,650)
OTHER FINANCING SOURCES(USES):								
Transfers in	-	40,205	-	-	-	-	-	886,335
Transfers out	-	-	-	-	-	-	(10,000)	-
TOTAL OTHER FINANCING SOURCES(USES)	\$ -	\$ 40,205	\$ -	\$ -	\$ -	\$ -	\$ (10,000)	\$ 886,335
CHANGES IN FUND BALANCE	\$ 27,350	\$ (2,473)	\$ 189	\$ -	\$ 15,642	\$ 1,903	\$ 147,675	\$ 10,685
Fund balance, beginning of year	\$ 71,885	\$ 7,375	\$ -	\$ 2,751	\$ 343,410	\$ 10,049	\$ 687,393	\$ 193,637
FUND BALANCE, END OF YEAR	\$ 99,235	\$ 4,902	\$ 189	\$ 2,751	\$ 359,052	\$ 11,952	\$ 835,068	\$ 204,322

continued

COUNTY OF MARQUETTE, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended December 31, 2006

	Soldiers & Sailors Relief Fund	Veterans Trust Fund	Aging Services Fund	Budget Stabilization Fund	Homestead Property Administration Fund	County Remuneration Fund	Register of Deeds Automation Fund	Total
REVENUES:								
Taxes and Penalties	\$ -	\$ -	\$ 647,105	\$ -	\$ -	\$ -	\$ -	\$ 2,323,205
Federal sources	-	-	64,253	-	-	-	-	665,753
State sources	-	18,832	176,034	-	-	164,891	-	1,621,905
Charges for services	-	-	-	-	-	-	-	115,263
Fines and forfeits	-	-	-	-	-	-	-	-
Interest	-	-	12,637	-	3,699	-	4,412	231,516
Other	-	-	63,811	-	-	-	75,635	248,587
TOTAL REVENUES	\$ -	\$ 18,832	\$ 963,840	\$ -	\$ 3,699	\$ 164,891	\$ 80,047	\$ 5,206,229
EXPENDITURES:								
Current operations:								
Legislative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Courts	-	-	-	-	-	-	-	2,717,850
Management	-	-	-	-	-	-	-	-
Public Records	-	-	-	-	-	180,398	73,247	295,635
Law Enforcement	-	-	-	-	-	-	-	1,381,239
Human Services	6,158	16,362	988,182	-	-	-	-	1,419,134
Resource Management/Development	-	-	-	-	-	-	-	494,138
Other	-	-	-	-	-	-	-	47,343
TOTAL EXPENDITURES	\$ 6,158	\$ 16,362	\$ 988,182	\$ -	\$ -	\$ 180,398	\$ 73,247	\$ 6,355,339
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,158)	2,470	(24,342)	-	3,699	(15,507)	6,800	(1,149,110)
OTHER FINANCING SOURCES(USES):								
Transfers in	7,250	-	-	-	-	-	-	1,473,708
Transfers out	-	-	-	-	-	-	-	(310,000)
TOTAL OTHER FINANCING SOURCES(USES)	\$ 7,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,163,708
CHANGES IN FUND BALANCE	1,092	2,470	(24,342)	-	3,699	(15,507)	6,800	14,598
Fund balance, beginning of year	6,601	43	62,300	171,110	11,432	73,180	93,103	4,211,355
FUND BALANCE, END OF YEAR	\$ 7,693	\$ 2,513	\$ 37,958	\$ 171,110	\$ 15,131	\$ 57,673	\$ 99,903	\$ 4,225,953

COUNTY OF MARQUETTE, MICHIGAN
PROSECUTOR'S FORFEITURE ACCOUNT FUND

BALANCE SHEET

December 31, 2006

ASSETS		
Cash and investments	\$	14,877
Receivables		-
Due from State		-
Due from other funds		-
Other Assets		-
TOTAL ASSETS		\$ <u>14,877</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Cash Overdraft	\$	-
Accounts payable		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-
TOTAL LIABILITIES		<u>-</u>
FUND BALANCE:		
Unreserved		<u>14,877</u>
TOTAL FUND BALANCE		<u>14,877</u>
TOTAL LIABILITIES AND FUND BALANCE		\$ <u>14,877</u>

COUNTY OF MARQUETTE, MICHIGAN

PROSECUTOR'S FORFEITURE ACCOUNT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Other		2,000	327	(1,673)
TOTAL REVENUES	\$	2,000	\$ 327	\$ (1,673)
EXPENDITURES:				
Courts:				
Other services and charges		2,000	1,500	500
TOTAL EXPENDITURES		2,000	1,500	500
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	(1,173)	(1,173)
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	(1,173)	(1,173)
Fund balance, beginning of year		16,050	16,050	-
FUND BALANCE, END OF YEAR	\$	16,050	\$ 14,877	\$ (1,173)

COUNTY OF MARQUETTE, MICHIGAN

DOMESTIC VIOLENCE FUND

BALANCE SHEET

December 31, 2006

ASSETS	
Cash and investments	\$ 1,105
Receivables	-
Due from State	-
Due from other funds	-
Other Assets	-
	<hr/>
TOTAL ASSETS	\$ <u>1,105</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Cash Overdraft	\$ -
Accounts payable	-
Accrued payroll and related	-
Accrued sick & vacation leave	-
Deferred revenue	-
	<hr/>
TOTAL LIABILITIES	<hr/> -
FUND BALANCE:	
Unreserved	<u>1,105</u>
TOTAL FUND BALANCE	<u>1,105</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>1,105</u>

COUNTY OF MARQUETTE, MICHIGAN

DOMESTIC VIOLENCE GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Other		-	-	-
TOTAL REVENUES	\$	-	\$ -	\$ -
EXPENDITURES:				
Law Enforcement:				
Other services and charges		-	-	-
TOTAL EXPENDITURES		-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	-	-
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	-	-
Fund balance, beginning of year		1,105	1,105	-
FUND BALANCE, END OF YEAR	\$	1,105	\$ 1,105	\$ -

COUNTY OF MARQUETTE, MICHIGAN

MAINTENANCE OF EFFORT FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$	1,563,456
Receivables		737,414
Due from State		-
Due from other funds		-
Other Assets		-

TOTAL ASSETS	\$	<u>2,300,870</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		66,337
Due to State		24,127
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		<u>834,819</u>

TOTAL LIABILITIES		<u>925,283</u>
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FUND BALANCE:

Unreserved		<u>1,375,587</u>
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TOTAL FUND BALANCE		<u>1,375,587</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>2,300,870</u>
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COUNTY OF MARQUETTE, MICHIGAN

MAINTENANCE OF EFFORT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		765,000	801,009	36,009
Interest Earned		25,000	67,867	42,867
TOTAL REVENUES	\$	<u>790,000</u>	<u>\$ 868,876</u>	<u>\$ 78,876</u>
EXPENDITURES:				
Human Services:				
Other services and charges		490,000	408,432	81,568
TOTAL EXPENDITURES		<u>490,000</u>	<u>408,432</u>	<u>81,568</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>300,000</u>	<u>460,444</u>	<u>160,444</u>
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		(300,000)	(300,000)	-
TOTAL OTHER FINANCING SOURCES(USES)		<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
CHANGES IN FUND BALANCE		-	160,444	160,444
Fund balance, beginning of year		<u>1,215,143</u>	<u>1,215,143</u>	<u>-</u>
FUND BALANCE, END OF YEAR	\$	<u><u>1,215,143</u></u>	<u><u>\$ 1,375,587</u></u>	<u><u>\$ 160,444</u></u>

COUNTY OF MARQUETTE, MICHIGAN

PUBLIC IMPROVEMENT FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$	440,589
Receivables		1,000
Due from State		-
Due from other funds		-
Other Assets		-

TOTAL ASSETS	\$	<u>441,589</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		2,732
Due to State		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		<u>2,732</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		429,663
Other		-
Unreserved		<u>9,194</u>

TOTAL FUND BALANCE		<u>438,857</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>441,589</u>
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COUNTY OF MARQUETTE, MICHIGAN

PUBLIC IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

	2006		
	Final Amended Budget	Actual	Variance
REVENUES:			
Interest Earned	12,000	21,822	9,822
Other	12,000	12,000	-
TOTAL REVENUES	\$ 24,000	\$ 33,822	\$ 9,822
EXPENDITURES:			
Management - Capital Outlay	4,000	-	4,000
Public Records - Capital Outlay	52,881	41,990	10,891
Human Services - Capital Outlay	81,000	-	81,000
Law Enforcement - Capital Outlay	99,497	91,987	7,510
Resource Mgmt/Dev - Capital Outlay	368,390	73,273	295,117
Other - Capital Outlay	55,403	47,343	8,060
TOTAL EXPENDITURES	661,171	254,593	406,578
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(637,171)	(220,771)	416,400
OTHER FINANCING SOURCES(USES):			
Transfers in	209,710	213,875	4,165
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES(USES)	209,710	213,875	4,165
CHANGES IN FUND BALANCE	(427,461)	(6,896)	420,565
Fund balance, beginning of year	445,753	445,753	-
FUND BALANCE, END OF YEAR	\$ 18,292	\$ 438,857	\$ 420,565

COUNTY OF MARQUETTE, MICHIGAN

LAND ACQUISITION FUND

BALANCE SHEET

December 31, 2006

ASSETS	\$	200,316
Cash and investments		-
Receivables		-
Due from State		-
Due from other funds		-
Other Assets		-
		<hr/>
TOTAL ASSETS	\$	<u>200,316</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES:	\$	-
Cash Overdraft		-
Accounts payable		-
Due to State		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-
		<hr/>
TOTAL LIABILITIES		<hr/>
FUND BALANCE:		
Designated for:		-
Capital Outlay		-
Other		-
Unreserved		<u>200,316</u>
TOTAL FUND BALANCE		<u>200,316</u>
TOTAL LIABILITIES AND FUND BALANCE	\$	<u>200,316</u>

COUNTY OF MARQUETTE, MICHIGAN

LAND ACQUISITION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Interest Earned		12,600	13,256	656
Other		5,400	5,400	-
TOTAL REVENUES	\$	<u>18,000</u>	\$ <u>18,656</u>	\$ <u>656</u>
EXPENDITURES:				
Community Development:				
Capital Outlay		175,000	174,621	379
TOTAL EXPENDITURES		<u>175,000</u>	<u>174,621</u>	<u>379</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>(157,000)</u>	<u>(155,965)</u>	<u>1,035</u>
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE		<u>(157,000)</u>	<u>(155,965)</u>	<u>1,035</u>
Fund balance, beginning of year		<u>356,281</u>	<u>356,281</u>	<u>-</u>
FUND BALANCE, END OF YEAR	\$	<u>199,281</u>	\$ <u>200,316</u>	\$ <u>1,035</u>

COUNTY OF MARQUETTE, MICHIGAN

VICTIM RESTITUTION FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$	19,268
Receivables		-
Due from State		-
Due from other funds		-
Other Assets		-

TOTAL ASSETS

\$ 19,268

LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		46
Due to State		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES

46

FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		5,782
Unreserved		13,440

TOTAL FUND BALANCE

19,222

TOTAL LIABILITIES AND FUND BALANCE

\$ 19,268

COUNTY OF MARQUETTE, MICHIGAN

VICTIM RESTITUTION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Interest Earned		-	-	-
Other		12,000	6,995	(5,005)
TOTAL REVENUES	\$	\$ 12,000	\$ 6,995	\$ (5,005)
EXPENDITURES:				
Courts:				
Other services and charges		12,000	10,212	1,788
TOTAL EXPENDITURES		12,000	10,212	1,788
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	(3,217)	(3,217)
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	(3,217)	(3,217)
Fund balance, beginning of year		22,439	22,439	-
FUND BALANCE, END OF YEAR	\$	\$ 22,439	\$ 19,222	\$ (3,217)

COUNTY OF MARQUETTE, MICHIGAN

FRIEND OF THE COURT FUND

BALANCE SHEET

December 31, 2006

ASSETS:		
Cash and investments	\$	-
Receivables		-
Due from State		97,482
Due from other funds		-
Other Assets		-
		<hr/>
TOTAL ASSETS	\$	<u>97,482</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Cash Overdraft	\$	4,109
Accounts payable		506
Accrued payroll and related		-
Accrued sick & vacation leave		6,897
Deferred revenue		-
		<hr/>
TOTAL LIABILITIES		<u>11,512</u>
FUND BALANCE:		
Unrestricted		<u>85,970</u>
TOTAL FUND BALANCE		<u>85,970</u>
TOTAL LIABILITIES AND FUND BALANCE	\$	<u>97,482</u>

COUNTY OF MARQUETTE, MICHIGAN

FRIEND OF THE COURT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Federal sources		645,860	594,019	(51,841)
State sources		-	-	-
Charges for services		48,760	62,971	14,211
TOTAL REVENUES	\$	<u>694,620</u>	<u>\$ 656,990</u>	<u>\$ (37,630)</u>
EXPENDITURES:				
Courts:				
Personnel services		823,265	752,919	70,346
Supplies		25,100	21,109	3,991
Other services and charges		172,298	168,997	3,301
Capital outlay		-	-	-
TOTAL EXPENDITURES		<u>1,020,663</u>	<u>943,025</u>	<u>77,638</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>(326,043)</u>	<u>(286,035)</u>	<u>40,008</u>
OTHER FINANCING SOURCES(USES):				
Transfers in		326,043	326,043	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		<u>326,043</u>	<u>326,043</u>	<u>-</u>
CHANGES IN FUND BALANCE		-	40,008	40,008
Fund balance, beginning of year		<u>45,962</u>	<u>45,962</u>	<u>-</u>
FUND BALANCE, END OF YEAR	\$	<u>45,962</u>	<u>\$ 85,970</u>	<u>\$ 40,008</u>

COUNTY OF MARQUETTE, MICHIGAN

SAWYER MAINTENANCE FUND

BALANCE SHEET

December 31, 2006

ASSETS	
Cash and investments	\$ 60,846
Receivables	454,062
Due from State	-
Due from other funds	-
Other Assets	-
	<hr/>
TOTAL ASSETS	\$ 514,908
	<hr/>
LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Cash Overdraft	\$ -
Accounts payable	466,664
Due to State	-
Accrued payroll and related	-
Accrued sick & vacation leave	-
Deferred revenue	-
	<hr/>
TOTAL LIABILITIES	466,664
	<hr/>
FUND BALANCE:	
Designated for:	
Capital Outlay	-
Other	-
Unreserved	48,244
	<hr/>
TOTAL FUND BALANCE	48,244
	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 514,908
	<hr/>

COUNTY OF MARQUETTE, MICHIGAN

SAWYER MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Federal sources		-	7,481	7,481
Charges for services		-	-	-
Interest earned		-	-	-
Other		-	-	-
TOTAL REVENUES	\$	\$ -	\$ 7,481	\$ 7,481
EXPENDITURES:				
Community Development:				
Personnel services		-	-	-
Supplies		-	-	-
Other services and charges		-	-	-
Capital outlay		-	-	-
TOTAL EXPENDITURES		-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	7,481	7,481
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	7,481	7,481
Fund balance, beginning of year		40,763	40,763	-
FUND BALANCE, END OF YEAR	\$	\$ 40,763	\$ 48,244	\$ 7,481

COUNTY OF MARQUETTE, MICHIGAN
SAWYER INTERMEDIARY RELENDING FUND

BALANCE SHEET

December 31, 2006

ASSETS		
Cash and investments	\$	484,671
Receivables		-
Due from State		-
Due from other funds		-
Loans Receivable		405,294
Other Assets		-
		<hr/>
TOTAL ASSETS	\$	<u>889,965</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Cash Overdraft	\$	-
Account payable		757,642
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-
		<hr/>
TOTAL LIABILITIES		<u>757,642</u>
FUND BALANCE:		
Designated for:		
Capital Outlay		-
Other		-
Unreserved		132,323
		<hr/>
TOTAL FUND BALANCE		<u>132,323</u>
TOTAL LIABILITIES AND FUND BALANCE	\$	<u>889,965</u>

COUNTY OF MARQUETTE, MICHIGAN

SAWYER INTERMEDIARY RELENDING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Charges for services		-	-	-
Interest earned		50,000	44,727	(5,273)
Other		-	250	250
TOTAL REVENUES	\$	<u>50,000</u>	<u>\$ 44,977</u>	<u>\$ (5,023)</u>
EXPENDITURES:				
Community Development:				
Other services and charges		241,000	237,949	3,051
Interest paid		49,000	8,295	40,705
TOTAL EXPENDITURES		<u>290,000</u>	<u>246,244</u>	<u>43,756</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>(240,000)</u>	<u>(201,267)</u>	<u>38,733</u>
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE		<u>(240,000)</u>	<u>(201,267)</u>	<u>38,733</u>
Fund balance, beginning of year		<u>333,590</u>	<u>333,590</u>	<u>-</u>
FUND BALANCE, END OF YEAR	\$	<u><u>93,590</u></u>	<u><u>\$ 132,323</u></u>	<u><u>\$ 38,733</u></u>

COUNTY OF MARQUETTE, MICHIGAN

RESCUE SAFETY FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$	132,167
Receivables		209,152
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	<u>341,319</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		332
Due to State		-
Due to other funds		-
Accrued payroll and related		4,973
Accrued sick & vacation leave		-
Deferred revenue		<u>236,779</u>

TOTAL LIABILITIES		<u>242,084</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		<u>99,235</u>

TOTAL FUND BALANCE		<u>99,235</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>341,319</u>
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COUNTY OF MARQUETTE, MICHIGAN

RESCUE SAFETY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

	2006		
	Final Amended Budget	Actual	Variance
REVENUES:			
Taxes and Penalties	160,000	161,435	1,435
Federal sources	-	-	-
State sources	91,600	92,381	781
Interest earned	5,900	5,914	14
Other	156	168	12
TOTAL REVENUES \$	\$ 257,656	\$ 259,898	\$ 2,242
EXPENDITURES:			
Law Enforcement:			
Personnel services	173,117	158,465	14,652
Supplies	20,900	16,155	4,745
Other services and charges	31,603	25,209	6,394
Capital Outlay	34,300	32,719	1,581
TOTAL EXPENDITURES	259,920	232,548	27,372
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,264)	27,350	29,614
OTHER FINANCING SOURCES(USES):			
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES(USES)	-	-	-
CHANGES IN FUND BALANCE	(2,264)	27,350	29,614
Fund balance, beginning of year	71,885	71,885	-
FUND BALANCE, END OF YEAR \$	\$ 69,621	\$ 99,235	\$ 29,614

COUNTY OF MARQUETTE, MICHIGAN

LAW LIBRARY FUND

BALANCE SHEET

December 31, 2006

ASSETS	
Cash and investments	\$ 6,193
Receivables	-
Due from State	-
Due from other funds	-
Loans Receivable	-
Other Assets	<u>480</u>
TOTAL ASSETS	\$ <u>6,673</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Cash Overdraft	\$ -
Accounts payable	1,771
Due to State	-
Due to other funds	-
Accrued payroll and related	-
Accrued sick & vacation leave	-
Deferred revenue	<u>-</u>
TOTAL LIABILITIES	<u>1,771</u>
FUND BALANCE:	
Designated for:	
Capital Outlay	-
Other	-
Unreserved	<u>4,902</u>
TOTAL FUND BALANCE	<u>4,902</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>6,673</u>

COUNTY OF MARQUETTE, MICHIGAN

LAW LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Charges for services		6,500	6,500	-
Interest earned		-	-	-
Other		-	-	-
TOTAL REVENUES	\$	<u>6,500</u>	<u>\$ 6,500</u>	<u>\$ -</u>
EXPENDITURES:				
Courts:				
Supplies		50,400	48,581	1,819
Other services and charges		705	597	108
Capital Outlay		-	-	-
TOTAL EXPENDITURES		<u>51,105</u>	<u>49,178</u>	<u>1,927</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>(44,605)</u>	<u>(42,678)</u>	<u>1,927</u>
OTHER FINANCING SOURCES(USES):				
Transfers in		40,205	40,205	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		<u>40,205</u>	<u>40,205</u>	<u>-</u>
CHANGES IN FUND BALANCE		<u>(4,400)</u>	<u>(2,473)</u>	<u>1,927</u>
Fund balance, beginning of year		<u>7,375</u>	<u>7,375</u>	<u>-</u>
FUND BALANCE, END OF YEAR	\$	<u><u>2,975</u></u>	<u><u>\$ 4,902</u></u>	<u><u>\$ 1,927</u></u>

COUNTY OF MARQUETTE, MICHIGAN

P.A. 511 FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and Investments	\$	-
Receivables		544
Due from State		16,018
Due from other funds		-
Loans Receivable		-
Other Assets		<u>55</u>

TOTAL ASSETS	\$	<u>16,617</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	11,427
Accounts payable		5,001
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		<u>-</u>

TOTAL LIABILITIES		<u>16,428</u>
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FUND BALANCE:

Designated for:

Capital Outlay		-
Other		-
Unreserved		<u>189</u>

TOTAL FUND BALANCE		<u>189</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>16,617</u>
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COUNTY OF MARQUETTE, MICHIGAN

P.A. 511 FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
State sources		111,638	88,451	(23,187)
Interest earned		-	-	-
Other		11,878	10,872	(1,006)
TOTAL REVENUES	\$	123,516	\$ 99,323	\$ (24,193)
EXPENDITURES:				
Law Enforcement:				
Personnel		70,881	60,815	10,066
Supplies		16,000	11,556	4,444
Other services and charges		36,635	26,763	9,872
Capital Outlay		-	-	-
TOTAL EXPENDITURES		123,516	99,134	24,382
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	189	189
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	189	189
Fund balance, beginning of year		-	-	-
FUND BALANCE, END OF YEAR	\$	-	\$ 189	\$ 189

COUNTY OF MARQUETTE, MICHIGAN

CHILD CARE SODA GRANT FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$	2,751
Receivables		-
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	<u>2,751</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		-
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		<u>-</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		<u>2,751</u>

TOTAL FUND BALANCE		<u>2,751</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>2,751</u>
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COUNTY OF MARQUETTE, MICHIGAN

CHILD CARE SODA GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
State sources		-	-	-
Interest earned		-	-	-
Other		-	-	-
TOTAL REVENUES	\$	\$ -	\$ -	\$ -
EXPENDITURES:				
Courts:				
Personnel		-	-	-
Supplies		-	-	-
Other services and charges		-	-	-
Capital Outlay		-	-	-
TOTAL EXPENDITURES		-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	-	-
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	-	-
Fund balance, beginning of year		2,751	2,751	-
FUND BALANCE, END OF YEAR	\$	\$ 2,751	\$ 2,751	\$ -

COUNTY OF MARQUETTE, MICHIGAN

BUILDING AUTHORITY FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$	359,052
Receivables		-
Due from State		-
Due from other funds		-
Loans Receivable		-
Assets		-

TOTAL ASSETS	\$	<u>359,052</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		-
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		<u>-</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		359,052

TOTAL FUND BALANCE		<u>359,052</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>359,052</u>
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COUNTY OF MARQUETTE, MICHIGAN

BUILDING AUTHORITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Charges for services		-	-	-
Interest earned		-	15,642	15,642
Other		-	-	-
TOTAL REVENUES	\$	\$ -	\$ 15,642	\$ 15,642
EXPENDITURES:				
Community Development:				
Personnel		-	-	-
Supplies		-	-	-
Other services and charges		-	-	-
Capital Outlay		-	-	-
TOTAL EXPENDITURES		-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	15,642	15,642
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	15,642	15,642
Fund balance, beginning of year		343,410	343,410	-
FUND BALANCE, END OF YEAR	\$	\$ 343,410	\$ 359,052	\$ 15,642

COUNTY OF MARQUETTE, MICHIGAN

SHERIFF MCTV GRANT FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$	-
Receivables		38,743
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	<u>38,743</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	17,743
Accounts payable		785
Due to State		-
Due to other funds		7,449
Accrued payroll and related		-
Accrued sick & vacation leave		814
Deferred revenue		-

TOTAL LIABILITIES		<u>26,791</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		<u>11,952</u>

TOTAL FUND BALANCE		<u>11,952</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>38,743</u>
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COUNTY OF MARQUETTE, MICHIGAN

SHERIFF MCTV GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
State Sources		122,072	127,429	5,357
Interest earned		-	-	-
Other		75,663	70,127	(5,536)
TOTAL REVENUES	\$	197,735	\$ 197,556	\$ (179)
EXPENDITURES:				
Law Enforcement:				
Personnel		123,550	120,424	3,126
Supplies		24,590	25,113	(523)
Other services and charges		50,695	50,116	579
Capital Outlay		-	-	-
TOTAL EXPENDITURES		198,835	195,653	3,182
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(1,100)	1,903	3,003
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		(1,100)	1,903	3,003
Fund balance, beginning of year		10,049	10,049	-
FUND BALANCE, END OF YEAR	\$	8,949	\$ 11,952	\$ 3,003

COUNTY OF MARQUETTE, MICHIGAN

CENTRAL DISPATCH FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$	926,560
Receivables		720,362
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS \$ 1,646,922

LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		12,336
Due to State		-
Due to other funds		-
Accrued payroll and related		25,981
Accrued sick & vacation leave		1,471
Deferred revenue		772,066

TOTAL LIABILITIES 811,854

FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		267,617
Unreserved		567,451

TOTAL FUND BALANCE 835,068

TOTAL LIABILITIES AND FUND BALANCE \$ 1,646,922

COUNTY OF MARQUETTE, MICHIGAN

CENTRAL DISPATCH FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		700,000	713,656	13,656
Federal Sources		-	-	-
State Sources		125,600	161,394	35,794
Interest Earned		16,000	41,540	
Other		-	3,002	3,002
TOTAL REVENUES	\$	\$ 841,600	\$ 919,592	\$ 52,452
EXPENDITURES:				
Law Enforcement:				
Personnel		618,570	615,248	3,322
Supplies		4,200	3,164	1,036
Other services and charges		160,990	134,535	26,455
Capital Outlay		130,000	8,970	121,030
TOTAL EXPENDITURES		913,760	761,917	151,843
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(72,160)	157,675	204,295
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		(10,000)	(10,000)	-
TOTAL OTHER FINANCING SOURCES(USES)		(10,000)	(10,000)	-
CHANGES IN FUND BALANCE		(82,160)	147,675	229,835
Fund balance, beginning of year		687,393	687,393	-
FUND BALANCE, END OF YEAR	\$	\$ 605,233	\$ 835,068	\$ 229,835

COUNTY OF MARQUETTE, MICHIGAN

PROBATE CHILD CARE FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$	13,388
Receivables		60,866
Due from State		154,301
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	<u>228,555</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		19,941
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		4,292
Deferred revenue		-

TOTAL LIABILITIES		<u>24,233</u>
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FUND BALANCE:

Designated for:

Capital Outlay		-
Other		-
Unreserved		<u>204,322</u>

TOTAL FUND BALANCE		<u>204,322</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>228,555</u>
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COUNTY OF MARQUETTE, MICHIGAN

PROBATE CHILD CARE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
State Sources		933,673	792,493	(141,180)
Charges for services		27,000	45,792	18,792
Other		-	-	-
TOTAL REVENUES	\$	<u>960,673</u>	<u>\$ 838,285</u>	<u>\$ (122,388)</u>
EXPENDITURES:				
Courts:				
Personnel		1,107,478	943,880	163,598
Supplies		8,959	6,425	2,534
Other services and charges		993,136	763,630	229,506
Capital Outlay		4,300	-	4,300
TOTAL EXPENDITURES		<u>2,113,873</u>	<u>1,713,935</u>	<u>399,938</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>(1,153,200)</u>	<u>(875,650)</u>	<u>277,550</u>
OTHER FINANCING SOURCES(USES):				
Transfers in		1,002,667	886,335	(116,332)
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		<u>1,002,667</u>	<u>886,335</u>	<u>(116,332)</u>
CHANGES IN FUND BALANCE		<u>(150,533)</u>	<u>10,685</u>	<u>161,218</u>
Fund balance, beginning of year		<u>193,637</u>	<u>193,637</u>	<u>-</u>
FUND BALANCE, END OF YEAR	\$	<u><u>43,104</u></u>	<u><u>\$ 204,322</u></u>	<u><u>\$ 161,218</u></u>

COUNTY OF MARQUETTE, MICHIGAN

SOLDIERS & SAILORS RELIEF FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$	7,693
Receivables		-
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	<u>7,693</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		-
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		<u>-</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		<u>7,693</u>

TOTAL FUND BALANCE		<u>7,693</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>7,693</u>
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COUNTY OF MARQUETTE, MICHIGAN

SOLDIERS & SAILORS RELIEF FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		-	-	-
Federal Sources		-	-	-
State Sources		-	-	-
Interest		-	-	-
TOTAL REVENUES	\$	\$ -	\$ -	\$ -
EXPENDITURES:				
Human Services:				
Personnel		-	-	-
Supplies		-	-	-
Other services and charges		7,500	6,158	1,342
Capital Outlay		-	-	-
TOTAL EXPENDITURES		7,500	6,158	1,342
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(7,500)	(6,158)	1,342
OTHER FINANCING SOURCES(USES):				
Transfers in		7,250	7,250	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		7,250	7,250	-
CHANGES IN FUND BALANCE		(250)	1,092	1,342
Fund balance, beginning of year		6,601	6,601	-
FUND BALANCE, END OF YEAR	\$	\$ 6,351	\$ 7,693	\$ 1,342

COUNTY OF MARQUETTE, MICHIGAN

VETERANS TRUST FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$	2,513
Receivables		-
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	<u>2,513</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		-
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		<u>-</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		<u>2,513</u>

TOTAL FUND BALANCE		<u>2,513</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>2,513</u>
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COUNTY OF MARQUETTE, MICHIGAN

VETERANS TRUST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		-	-	-
Federal Sources		-	-	-
State Sources		18,900	18,832	(68)
Interest		-	-	-
TOTAL REVENUES	\$	18,900	\$ 18,832	\$ (68)
EXPENDITURES:				
Human Services:				
Personnel		2,400	2,400	-
Supplies		300	78	222
Other services and charges		16,200	13,884	2,316
Capital Outlay		-	-	-
TOTAL EXPENDITURES		18,900	16,362	2,538
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	2,470	2,470
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	2,470	2,470
Fund balance, beginning of year		43	43	-
FUND BALANCE, END OF YEAR	\$	43	\$ 2,513	\$ 2,470

COUNTY OF MARQUETTE, MICHIGAN

AGING SERVICES FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$	123,125
Receivables		644,041
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	<u>767,166</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts payable	\$	-
Due to State		-
Due to other funds		-
Accrued payroll and related		10,320
Accrued sick & vacation leave		1,548
Other current liabilities		22,298
Deferred revenue		<u>695,042</u>

TOTAL LIABILITIES		<u>729,208</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		<u>37,958</u>

TOTAL FUND BALANCE		<u>37,958</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>767,166</u>
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COUNTY OF MARQUETTE, MICHIGAN

AGING SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		636,241	647,105	10,864
Federal Sources		76,277	64,253	(12,024)
State Sources		194,320	176,034	(18,286)
Interest		10,000	12,637	2,637
Other		68,333	63,811	(4,522)
TOTAL REVENUES	\$	<u>985,171</u>	<u>\$ 963,840</u>	<u>\$ (21,331)</u>
EXPENDITURES:				
Human Services:				
Personnel		297,162	304,443	(7,281)
Supplies		9,000	9,038	(38)
Other services and charges		723,688	674,701	48,987
Capital Outlay		-	-	-
TOTAL EXPENDITURES		<u>1,029,850</u>	<u>988,182</u>	<u>41,668</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>(44,679)</u>	<u>(24,342)</u>	<u>20,337</u>
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE		<u>(44,679)</u>	<u>(24,342)</u>	<u>20,337</u>
Fund balance, beginning of year		<u>62,300</u>	<u>62,300</u>	<u>-</u>
FUND BALANCE, END OF YEAR	\$	<u>17,621</u>	<u>\$ 37,958</u>	<u>\$ 20,337</u>

COUNTY OF MARQUETTE, MICHIGAN

BUDGET STABILIZATION FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$	171,110
Receivables		-
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	<u>171,110</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		-
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		<u>-</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		<u>171,110</u>

TOTAL FUND BALANCE		<u>171,110</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>171,110</u>
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COUNTY OF MARQUETTE, MICHIGAN

BUDGET STABILIZATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		-	-	-
Federal Sources		-	-	-
State Sources		-	-	-
Interest		-	-	-
Other		-	-	-
TOTAL REVENUES	\$	-	\$ -	\$ -
EXPENDITURES:				
Management:				
Personnel		-	-	-
Supplies		-	-	-
Other services and charges		-	-	-
Capital Outlay		-	-	-
TOTAL EXPENDITURES		-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	-	-
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	-	-
Fund balance, beginning of year		171,110	171,110	-
FUND BALANCE, END OF YEAR	\$	171,110	\$ 171,110	\$ -

COUNTY OF MARQUETTE, MICHIGAN
HOMESTEAD PROPERTY ADMINISTRATION FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$ 15,144
Receivables	-
Due from State	-
Due from other funds	-
Loans Receivable	-
Other Assets	-
	<hr/>

TOTAL ASSETS	\$ <u>15,144</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$ -
Accounts payable	13
Due to State	-
Due to other funds	-
Accrued payroll and related	-
Accrued sick & vacation leave	-
Deferred revenue	-
	<hr/>

TOTAL LIABILITIES	<hr/> 13
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FUND BALANCE:

Designated for:	
Capital Outlay	-
Other	-
Unreserved	15,131
	<hr/>

TOTAL FUND BALANCE	<hr/> 15,131
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TOTAL LIABILITIES AND FUND BALANCE	\$ <u>15,144</u>
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COUNTY OF MARQUETTE, MICHIGAN

HOMESTEAD PROPERTY ADMINISTRATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		-	-	-
Federal Sources		-	-	-
State Sources		-	-	-
Interest		750	3,699	2,949
Other		250	-	(250)
TOTAL REVENUES	\$	<u>1,000</u>	\$ <u>3,699</u>	\$ <u>2,699</u>
EXPENDITURES:				
Public Records:				
Personnel		-	-	-
Supplies		400	-	400
Other services and charges		600	-	600
Capital Outlay		-	-	-
TOTAL EXPENDITURES		<u>1,000</u>	<u>-</u>	<u>1,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>-</u>	<u>3,699</u>	<u>3,699</u>
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE		<u>-</u>	<u>3,699</u>	<u>3,699</u>
Fund balance, beginning of year		<u>11,432</u>	<u>11,432</u>	<u>-</u>
FUND BALANCE, END OF YEAR	\$	<u>11,432</u>	\$ <u>15,131</u>	\$ <u>3,699</u>

COUNTY OF MARQUETTE, MICHIGAN

COUNTY REMONUMENTATION FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$	22,100
Receivables		93,160
Due from State		-
Due from other funds		-
Other Assets		-

TOTAL ASSETS

\$ 115,260

LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		57,587
Due to State		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES

57,587

FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		57,673

TOTAL FUND BALANCE

57,673

TOTAL LIABILITIES AND FUND BALANCE

\$ 115,260

COUNTY OF MARQUETTE, MICHIGAN

COUNTY REMONUMENTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
State sources		179,327	164,891	(14,436)
Charges for services		-	-	-
Other		-	-	-
TOTAL REVENUES	\$	179,327	\$ 164,891	\$ (14,436)
EXPENDITURES:				
Public Records:				
Personnel services		2,017	1,976	41
Supplies		2,500	2,187	313
Other services and charges		174,810	176,235	(1,425)
Capital outlay		-	-	-
TOTAL EXPENDITURES		179,327	180,398	(1,071)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	(15,507)	(15,507)
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	(15,507)	(15,507)
Fund balance, beginning of year		73,180	73,180	-
FUND BALANCE, END OF YEAR	\$	73,180	\$ 57,673	\$ (15,507)

COUNTY OF MARQUETTE, MICHIGAN
REGISTER OF DEEDS AUTOMATION FUND

BALANCE SHEET

December 31, 2006

ASSETS

Cash and investments	\$	100,589
Receivables		-
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	<u>100,589</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		-
Due to State		-
Due to other funds		-
Accrued payroll and related		686
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		<u>686</u>
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FUND BALANCE:

Designated for:

Capital Outlay		-
Other		-
Unreserved		<u>99,903</u>

TOTAL FUND BALANCE		<u>99,903</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>100,589</u>
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COUNTY OF MARQUETTE, MICHIGAN

REGISTER OF DEEDS AUTOMATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 2006

		2006		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		-	-	-
Federal Sources		-	-	-
State Sources		-	-	-
Interest		500	4,412	3,912
Other		82,000	75,635	(6,365)
TOTAL REVENUES	\$	82,500	\$ 80,047	\$ (2,453)
EXPENDITURES:				
Public Records:				
Personnel		19,500	17,653	1,847
Supplies		-	-	-
Other services and charges		48,724	48,644	80
Capital Outlay		16,000	6,950	9,050
TOTAL EXPENDITURES		84,224	73,247	10,977
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(1,724)	6,800	8,524
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		(1,724)	6,800	8,524
Fund balance, beginning of year		93,103	93,103	-
FUND BALANCE, END OF YEAR	\$	91,379	\$ 99,903	\$ 8,524

COUNTY OF MARQUETTE, MICHIGAN
ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS

December 31, 2006

	Service Center Fund	Insurance Fund	Copy & Computer Fund	Total
ASSETS				
Current Assets:				
Cash and investments	\$ 162,403	\$ 549,032	\$ 460,712	\$ 1,172,147
Delinquent tax receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governmental units	-	-	-	-
Other Assets	1,920	-	1,450	3,370
Capital assets, net	<u>315,963</u>	<u>-</u>	<u>320,729</u>	<u>636,692</u>
TOTAL CURRENT ASSETS	<u>480,286</u>	<u>549,032</u>	<u>782,891</u>	<u>1,812,209</u>
TOTAL ASSETS	<u>480,286</u>	<u>549,032</u>	<u>782,891</u>	<u>1,812,209</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 200	\$ -	\$ 4,341	\$ 4,541
Due to other governmental units	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>200</u>	<u>-</u>	<u>4,341</u>	<u>4,541</u>
TOTAL LIABILITIES	<u>200</u>	<u>-</u>	<u>4,341</u>	<u>4,541</u>
NET ASSETS				
Invested in capital assets, net of related debt	315,963	-	320,729	636,692
Designated - Health Insurance	-	156,000	-	156,000
Unrestricted	<u>164,123</u>	<u>393,032</u>	<u>457,821</u>	<u>1,014,976</u>
TOTAL NET ASSETS	<u>\$ 480,086</u>	<u>\$ 549,032</u>	<u>\$ 778,550</u>	<u>\$ 1,807,668</u>

COUNTY OF MARQUETTE, MICHIGAN

ALL INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the Fiscal Year ended December 31, 2006

	Service Center Fund	Insurance Fund	Copy & Computer Fund	Total
OPERATING REVENUES:				
Penalties and interest on taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	1,920	-	380,970	382,890
Interest Earned	-	17,485	-	17,485
Other revenues	-	21,767	2,030	23,797
TOTAL OPERATING REVENUES	<u>1,920</u>	<u>39,252</u>	<u>383,000</u>	<u>424,172</u>
OPERATING EXPENSES:				
Other operating expenses	<u>29,141</u>	<u>40,000</u>	<u>299,045</u>	<u>368,186</u>
TOTAL OPERATING EXPENSES	<u>29,141</u>	<u>40,000</u>	<u>299,045</u>	<u>368,186</u>
OPERATING INCOME (LOSS) BEFORE TRANSFERS	(27,221)	(748)	83,955	55,986
Transfers in	-	156,000	-	156,000
Transfers out	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
CHANGE IN NET ASSETS	<u>(77,221)</u>	<u>155,252</u>	<u>83,955</u>	<u>161,986</u>
Net assets, beginning of year	<u>557,307</u>	<u>393,780</u>	<u>694,595</u>	<u>1,645,682</u>
NET ASSETS, END OF YEAR	<u>\$ 480,086</u>	<u>\$ 549,032</u>	<u>\$ 778,550</u>	<u>\$ 1,807,668</u>

COUNTY OF MARQUETTE

ALL INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended December 31, 2006

	Service Center Fund	Insurance Fund	Copy & Computer Fund	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from fees and charges for services	\$ -	\$ -	\$ 379,520	\$ 379,520
Cash received from delinquent taxes	-	-	-	-
Cash paid to employees and suppliers	-	-	(194,681)	(194,681)
Other operating revenues	-	39,252	2,030	41,282
Other operating expenses	(1,539)	(40,000)	-	(41,539)
NET CASH PROVIDED(USED)BY OPERATING ACTIVITIES	(1,539)	(748)	186,869	184,582
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in (out)	(50,000)	156,000	-	106,000
Increase (decrease) in due to other funds	-	-	-	-
NET CASH PROVIDED(USED)BY NONCAPITAL FINANCING ACTIVITIES	(50,000)	156,000	-	106,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Cash payments for capital assets	-	-	(56,048)	(56,048)
NET CASH PROVIDED(USED)BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	(56,048)	(56,048)
NET INCREASE(DECREASE)IN CASH AND CASH EQUIVALENTS	(51,539)	155,252	130,821	234,534
Cash and cash equivalents, beginning of year	213,942	393,780	329,891	937,613
CASH AND CASH EQUIVALENTS, END OF YEAR \$	\$ 162,403	\$ 549,032	\$ 460,712	\$ 1,172,147
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED(USED)BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (27,221)	\$ (748)	\$ 83,955	\$ 55,986
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	27,602	-	106,807	134,409
Changes in assets & liabilities:				
(Increase) decrease in accounts receivable	-	-	-	-
(Increase) decrease in delinquent taxes receivable	-	-	-	-
(Increase) decrease in accrued interest receivable	-	-	-	-
(Increase) decrease in due from other units	-	-	-	-
(Increase) decrease in other assets	(1,920)	-	(1,450)	(3,370)
Increase (decrease) in accounts payable	-	-	(2,443)	(2,443)
Increase (decrease) in due to other units	-	-	-	-
NET ADJUSTMENTS	25,682	-	102,914	128,596
NET CASH PROVIDED(USED)BY OPERATING ACTIVITIES \$	\$ (1,539)	\$ (748)	\$ 186,869	\$ 184,582

COUNTY OF MARQUETTE, MICHIGAN
INTERNAL SERVICE FUND – SERVICE CENTER

BALANCE SHEET

December 31, 2006

ASSETS

Current Assets:

Cash	\$ 162,403
Other Assets	1,920
Buildings and equipment, net	<u>315,963</u>

TOTAL CURRENT ASSETS	<u>480,286</u>
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TOTAL ASSETS	<u>480,286</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	<u>200</u>
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TOTAL CURRENT LIABILITIES	<u>200</u>
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TOTAL LIABILITIES	<u>200</u>
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NET ASSETS

Invested in capital assets, net of related debt	315,963
Unrestricted	<u>164,123</u>

TOTAL NET ASSETS	<u>\$ 480,086</u>
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COUNTY OF MARQUETTE, MICHIGAN

INTERNAL SERVICE FUND – SERVICE CENTER

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS – BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2006

	2006		
	Final Amended Budget	Actual	Variance
OPERATING REVENUES:			
Charges for services			
Rental income – county offices	\$ -	\$ 1,920	\$ 1,920
TOTAL OPERATING REVENUES	-	1,920	1,920
OPERATING EXPENSES:			
Building Operation and Expenses			
Other services and charges	2,000	1,539	461
Depreciation	25,682	27,602	(1,920)
Capital Outlay	47,000	-	47,000
TOTAL OPERATING EXPENSES	74,682	29,141	45,541
OPERATING INCOME(LOSS) BEFORE TRANSFERS	(74,682)	(27,221)	47,461
OTHER FINANCING SOURCES(USES):			
Transfers in	-	-	-
Transfers out	(50,000)	(50,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(50,000)	(50,000)	-
CHANGE IN NET ASSETS	(124,682)	(77,221)	47,461
Net assets, beginning of year	557,307	557,307	-
NET ASSETS, END OF YEAR \$	\$ 432,625	\$ 480,086	\$ 47,461

COUNTY OF MARQUETTE, MICHIGAN
INTERNAL SERVICE FUND – INSURANCE

BALANCE SHEET

December 31, 2006

ASSETS

Current Assets:

Cash	\$	549,032
Accounts Receivable		<u>–</u>

TOTAL CURRENT ASSETS	<u>549,032</u>
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TOTAL ASSETS	<u>549,032</u>
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LIABILITIES:

Current Liabilities:

Accounts Payable	<u>–</u>
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TOTAL CURRENT LIABILITIES	<u>–</u>
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TOTAL LIABILITIES	<u>–</u>
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NET ASSETS

Designated ~ Health Insurance	156,000
Unrestricted	<u>393,032</u>

TOTAL NET ASSETS	<u>\$ 549,032</u>
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COUNTY OF MARQUETTE, MICHIGAN
INTERNAL SERVICE FUND – INSURANCE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2006

		2005	
	Final Amended Budget	Actual	Variance
OPERATING REVENUES:			
Interest earned	\$ 5,000	\$ 17,485	\$ 12,485
Insurance premium reimbursements	25,000	21,767	(3,233)
TOTAL OPERATING REVENUES	30,000	39,252	9,252
OPERATING EXPENSES:			
Other services and charges	50,000	40,000	10,000
TOTAL OPERATING EXPENSES	50,000	40,000	10,000
OPERATING INCOME(LOSS) BEFORE TRANSFERS	(20,000)	(748)	19,252
OTHER FINANCING SOURCES(USES):			
Transfers in	-	156,000	156,000
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	156,000	156,000
CHANGE IN NET ASSETS	(20,000)	155,252	175,252
Net assets, beginning of year	393,780	393,780	-
NET ASSETS, END OF YEAR \$	\$ 373,780	\$ 549,032	\$ 175,252

COUNTY OF MARQUETTE, MICHIGAN
INTERNAL SERVICE FUND – COPY/COMPUTER

BALANCE SHEET

December 31, 2006

ASSETS

Current Assets:

Cash	\$ 460,712
Receivables	-
Other Assets	1,450
Equipment, net	<u>320,729</u>

TOTAL CURRENT ASSETS	<u>782,891</u>
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TOTAL ASSETS	<u>782,891</u>
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LIABILITIES:

Current Liabilities:

Accounts Payable	<u>4,341</u>
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TOTAL CURRENT LIABILITIES	<u>4,341</u>
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TOTAL LIABILITIES	<u>4,341</u>
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NET ASSETS

Invested in capital assets, net of related debt	320,729
Unrestricted	<u>457,821</u>

TOTAL NET ASSETS	<u><u>\$ 778,550</u></u>
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COUNTY OF MARQUETTE, MICHIGAN

INTERNAL SERVICE FUND – COPY/COMPUTER

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS – BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2006

	2006		
	Final Amended Budget	Actual	Variance
OPERATING REVENUES:			
Copy Charges	\$ 46,000	\$ 36,435	\$ (9,565)
Other services and charges	344,537	344,535	(2)
Other	7,500	2,030	(5,470)
TOTAL OPERATING REVENUES	398,037	383,000	(15,037)
OPERATING EXPENSES:			
Personnel	9,307	4,728	4,579
Supplies	12,120	10,052	2,068
Other services and charges	206,250	172,804	33,446
Depreciation	112,597	106,807	5,790
Capital outlay	77,000	4,654	72,346
TOTAL OPERATING EXPENSES	417,274	299,045	118,229
OPERATING INCOME(LOSS) BEFORE TRANSFERS	(19,237)	83,955	103,192
OTHER FINANCING SOURCES(USES):			
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
CHANGE IN NET ASSETS	(19,237)	83,955	103,192
Net assets, beginning of year	694,595	694,595	-
NET ASSETS, END OF YEAR \$	\$ 675,358	\$ 778,550	\$ 103,192

COUNTY OF MARQUETTE, MICHIGAN

FIDUCIARY FUNDS

COMBINING STATEMENT OF NET ASSETS

December 31, 2006

		Trust & Agency Fund		Payroll Fund		Penal Fines Fund		Total
ASSETS								
Cash and investments	\$	1,550,236	\$	20,000	\$	20,464	\$	1,590,700
Due from other funds		-		-		-		-
Total Assets	\$	<u>1,550,236</u>	\$	<u>20,000</u>		<u>20,464</u>	\$	<u>1,590,700</u>
LIABILITIES								
Due to other funds		-		20,000		-		20,000
Due to other		<u>1,550,236</u>		-		<u>20,464</u>		<u>1,570,700</u>
Total Liabilities		<u>1,550,236</u>		<u>20,000</u>		<u>20,464</u>		<u>1,590,700</u>
Total Net Assets	\$	<u>-</u>	\$	<u>-</u>		<u>-</u>	\$	<u>-</u>



ANDERSON, TACKMAN & COMPANY, P.L.C.

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MARQUETTE

WISCONSIN
GREEN BAY
MILWAUKEE

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Chairman and Members of
the Board of Commissioners
County of Marquette, Michigan
234 W. Baraga Ave.
Marquette, MI 49855

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Marquette, Michigan as of and for the year ended December 31, 2006, which collectively comprise the County of Marquette, Michigan's basic financial statements and have issued our report thereon dated April 30, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Marquette, Michigan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Marquette, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Marquette, Michigan's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Marquette County Road Commission's ability to initiate, authorize, record, process, or report financial data reliably

Honorable Chairman and Members of
the Board of Commissioners
County of Marquette, Michigan

in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County of Marquette, Michigan's financial statements that is more than inconsequential will not be prevented or detected by the County of Marquette, Michigan's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County of Marquette, Michigan's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Marquette, Michigan's component unit financial statements are free of material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 06-01.

We noted certain matters that we reported to management of the County of Marquette, Michigan, in a separate letter dated April 30, 2007.

The County of Marquette, Michigan's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the County of Marquette, Michigan's response and, accordingly, we express no opinion on it.

Honorable Chairman and Members of
the Board of Commissioners
County of Marquette, Michigan

This report is intended solely for the information and use of management, the audit committee, the Board, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

April 30, 2007



ANDERSON, TACKMAN & COMPANY, P.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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MICHIGAN
ESCANABA
IRON MOUNTAIN
KINROSS
MARQUETTE

WISCONSIN
GREEN BAY
MILWAUKEE

*County of Marquette, Michigan
Report to Management Letter
For the Year Ended December 31, 2006*

To the Honorable Chairman and Members of
The Board of Commissioners
County of Marquette, Michigan
234 W. Baraga Avenue
Marquette, MI 49855

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Marquette, Michigan as of and for the year ended December 31, 2006, in accordance with auditing standards generally accepted in the United States of America, we considered the County of Marquette, Michigan's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Marquette, Michigan's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Marquette, Michigan's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

To the Honorable Chairman and Members of
The Board of Commissioners
County of Marquette, Michigan

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified the following deficiencies in internal control that we consider to be significant deficiencies.

Significant Deficiencies

06-01 Condition/Criteria: At December 31, 2006 the County of Marquette, Michigan had cash deficits in several of their funds, as shown in Footnotes to the financial statements.

Effect: The advances become permanent working capital loans.

Cause of Condition: Cash advances and funding of accounts receivable are not being repaid in a timely fashion.

Recommendation: The County of Marquette, Michigan needs to monitor all advances such that they do not become permanent working capital loans.

Management Response - Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Sue Vercoe, Controller
- Corrective Action Planned:
 - The timing of advances and accounts receivable payments will be more closely monitored.
- Anticipated Completion Date:
 - December 31, 2007

Instances of Non-compliance

06-02 Condition/Criteria: Public Act 621 of 1978, Section 18 (1) as amended, provides that counties shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the County of Marquette, Michigan had actual expenditures and budgeted expenditures as shown in Footnotes to the Financial Statements. The approved budgets of these funds were adopted on an activity and/or program level. During the year ended December 31, 2006, the County of Marquette, Michigan incurred functional expenditures which were in excess of the amounts appropriated as shown within the basic financial statements.

Effect: The County of Marquette, Michigan is not in compliance with State Law.

Cause of Condition: Failure to amend the budgets during the year based on the level of expenditures.

Recommendation: The County of Marquette, Michigan should strictly control expenditures in each governmental fund so as not to exceed the original appropriation. When this is not possible, the budget should be amended accordingly.

To the Honorable Chairman and Members of
The Board of Commissioners
County of Marquette, Michigan

Management Response - Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Sue Vercoe, Controller
- Corrective Action Planned:
 - The budget will be more closely monitored and budget amendments will be made accordingly.
- Anticipated Completion Date:
 - December 31, 2007

This report is intended solely for the information and use of Marquette County Board of Commissioners, management, and others within the administration and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate and would like to thank the County's staff for the cooperation and courtesy extended to us during our audit. We would be pleased to discuss any comments or answer any questions regarding our audit with you at your convenience.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

April 30, 2007



ANDERSON, TACKMAN & COMPANY, P.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

JOHN W. BLEMBERG, CPA

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IRON MOUNTAIN
KINROSS
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WISCONSIN
GREEN BAY
MILWAUKEE

April 30, 2007

To the Honorable Chairman and Members
Of the Board of Commissioners
County of Marquette, Michigan
234 W. Baraga Avenue
Marquette, MI 49855

We have audited the financial statements of the County of Marquette; Michigan for the year ended December 31, 2006, and has issued our report thereon dated April 30, 2007. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered the County of Marquette, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County of Marquette, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the County of Marquette, Michigan's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the County of Marquette, Michigan's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on The County of Marquette, Michigan's compliance with those requirements.

Significant Accounting Policies

Management is responsible for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of the accounting policies and their application. The significant accounting policies used by the County of Marquette, Michigan's are described in the Footnotes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by the County of Marquette, Michigan during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

To the Honorable Chairman and Members
Of the Board of Commissioners
County of Marquette, Michigan

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the County of Marquette; Michigan's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the County of Marquette, Michigan's, either individually or in the aggregate, indicate matters that could have a significant effect on the County of Marquette, Michigan's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principal to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County of Marquette, Michigan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in the performance of our audit.

Conclusion

This information is intended solely for the use of the County of Marquette, Michigan Board of Commissioners and management and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Tackman & Company, PLLC
Certified Public Accountants